

H.R. 3283, A BILL TO IMPROVE RECREATIONAL FACILITIES AND VISITOR OPPORTUNITIES ON FEDERAL RECREATIONAL LANDS BY REINVESTING RECEIPTS FROM FAIR AND CONSISTENT RECREATIONAL FEES AND PASSES.

LEGISLATIVE HEARING

BEFORE THE
SUBCOMMITTEE ON NATIONAL PARKS, RECREATION,
AND PUBLIC LANDS
OF THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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LEGISLATIVE HEARING ON H.R. 3283, TO IMPROVE RECREATIONAL FACILITIES AND VISITOR OPPORTUNITIES ON FEDERAL RECREATIONAL LANDS BY REINVESTING RECEIPTS FROM FAIR AND CONSISTENT RECREATIONAL FEES AND PASSES, AND FOR OTHER PURPOSES.

**Thursday, May 6, 2004
U.S. House of Representatives
Subcommittee on National Parks, Recreation, and Public Lands
Committee on Resources
Washington, D.C.**

The Subcommittee met, pursuant to notice, at 10:02 a.m., in Room 1334, Longworth House Office Building, Hon. George P. Radanovich presiding.

Present: Representatives Radanovich, Peterson, Souder, Christensen, Mark Udall, and Bordallo.

STATEMENT OF THE HON. GEORGE P. RADANOVICH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. RADANOVICH. Good morning. The Subcommittee will come to order, and today the Subcommittee on National Parks, Recreation, and Public Lands will receive testimony on H.R. 3283, legislation introduced by Congressman Ralph Regula of Ohio, to improve recreational facilities and visitor opportunities on Federal recreation lands by allowing the Federal land managers to reinvest receipts from recreational fees.

Mr. RADANOVICH. Many of you will recall back in 1996 when the then Chairman of the House Interior Appropriations Subcommittee, Ralph Regula, created an innovative program called the Recreational Fee Demonstration Program. The program authorized in Section 315 of the Omnibus Consolidated Appropriations Act of 1996 directed Federal land managers to implement a fee program to demonstrate the feasibility of user-generated cost recovery for the operation and maintenance of recreation areas or sites and habitat enhancement projects on Federal lands. Each Secretary was to select no fewer than 10, but as many as 50 areas, sites, or projects for fee demonstration. Fundamental to this program was

that up to 80 percent of the fees collected at each Federal unit would stay at the site to enhance the quality of the visitor experience and for backlog maintenance and repair projects.

Today, it is no secret that the agencies have enjoyed the success of the program because it gives them a stream of revenue that is not subject to the uncertainty of an appropriation process. In Fiscal Year 2002, the Rec Fee Demo Program was reauthorized by the Appropriations Committee and the Congressionally mandated limit of 100 demonstration sites was lifted. The National Park Service shifted all of its remaining recreational fee sites into the Fee Demo Program, increasing the number of fee demo projects from 100 to 233. As of September 30, 2002, there were 104 U.S. Fish and Wildlife Service projects, 100 Bureau of Land Management projects, and 92 U.S. Forest Service projects.

Originally a 3-year trial authorization, the Rec Fee Program has now been reauthorized by Congress six times and is due to expire on December 31, 2005. In terms of revenue, the Federal land managers have collected over \$900 million in recreation fees from the public since its inception.

Some on the Committee are concerned that with its success may come less appropriated funds for programs that can be funded by recreational fees. It has always been my understanding that fees collected under this fee program were to supplement, not replace, annual appropriations.

While the program is popular with a number of constituencies and has certainly been effective in raising important additional revenue for the agencies to enhance their visitor experience, it has also created a great deal of animosity among some of the very recreational users it was designed to support. By now, many in the audience have heard those horrible stories where an agency actually began charging for a view off the side of a road. Obviously, that was not the intent of Congressman Regula when he created the program, nor were funds raised through the Rec Fee Program, I envision, to be used for an endangered species survey at the expense of enhancing a popular recreational experience.

The Recreational Fee Demonstration Program is now approaching 8 years of operation, all through the actions of the House Appropriations Committee. As Chairman Pombo stated on the House Floor last year during the debate on the Fiscal Year 2004 Interior appropriations bill, it is time that the Committee on Resources, the authorizing committee, step up to the plate and determine the future of this program. Today, this Subcommittee begins that charge.

I look forward to the testimony of all of our witnesses and the opportunity to engage in a fruitful discussion on H.R. 3283, as well as issues surrounding the future of the program.

[The prepared statement of Mr. Radanovich follows:]

**Statement of The Honorable George Radanovich, a Representative in
Congress from the State of California**

Good morning. The Subcommittee will come to order.

Today, the Subcommittee on National Parks, Recreation and Public Lands will receive testimony on H.R. 3283, legislation introduced by Congressman Ralph Regula of Ohio to improve recreational facilities and visitor opportunities on Federal recreational lands by allowing the Federal land managers to reinvest receipts from recreational fees.

Many of you will recall back in 1996 when, then-Chairman of the House Interior Appropriations Subcommittee, Ralph Regula created an innovative program called the Recreational Fee Demonstration Program. The program, authorized in Section 315 of the Omnibus Consolidated Appropriations Act of 1996, directed Federal land managers to "...implement a fee program to demonstrate the feasibility of user-generated cost recovery for the operation and maintenance of recreation areas or sites and habitat enhancement projects on Federal lands." Each Secretary was to select no fewer than 10, but as many as 50 areas, sites or projects for fee demonstration. Fundamental to this program was that up to 80% of the fees collected at each Federal unit would stay at that site to enhance the quality of the visitor experience and for backlogged maintenance and repair projects. Today, it is no secret that the agencies have enjoyed the success of the program because it gives them a stream of revenue that is not subject to the uncertainty of the appropriation process.

In FY 2002, the Rec Fee Demo Program was reauthorized by the Appropriations Committee and the Congressionally mandated limit of 100 demonstration sites was lifted. The National Park Service shifted all of its remaining recreational fee sites into the Fee Demo Program increasing the number of Fee Demo projects from 100 to 233. As of September 30, 2002, there were 104 U.S. Fish and Wildlife Service projects, 100 Bureau of Land Management projects and 92 U.S. Forest Service projects.

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While the program is popular with a number of constituencies and has certainly been effective it is raising important additional revenue for the agencies to enhance the visitor experience, it has also created a great deal of animosity among some of the very recreational users it was designed to support. By now, many in the audience have heard those horrible stories where an agency actually began charging for a view off the side of a road. Obviously, that was not the intent of Congressman Regula when he created the program. Nor were funds raised through the Rec Fee Program, I believe, envisioned to be used for an endangered species survey at the expense of enhancing a popular recreational experience.

The Recreational Fee Demonstration Program is now approaching eight years of operation—all through the actions of the House Appropriations Committee. As Chairman Pombo stated on the House Floor last year during the debate on the FY 2004 Interior Appropriations bill, it is time that the Committee on Resources—the authorizing Committee—step up to the plate and determine the future of this program. Today, this Subcommittee begins that charge.

I look forward to the testimony of all our witnesses and the opportunity to engage in a fruitful discussion on H.R. 3282 as well as issues surrounding the future of this program.

I would ask unanimous consent that Congressman Walden be permitted to sit on the dais for the duration of the hearing and that Congressman Regula be permitted to sit on the dais following his statement. Without objection, so ordered.

I now turn to the Ranking Member, Mrs. Christensen, for any opening statement she may have.

Mr. RADANOVICH. I would ask unanimous consent that Congressman Walden be permitted to sit on the dais for the duration of the hearing and that Congressman Regula be permitted to sit on the dais following his statement.

Without objection, so ordered.

I now turn to Ranking Member, Mrs. Christensen, for any opening statements she may have.

**STATEMENT OF THE HON. DONNA M. CHRISTENSEN, A
DELEGATE IN CONGRESS FROM THE VIRGIN ISLANDS**

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.
Welcome Chairman Regula.

Assistant Secretary Scarlett, it is good to see you again too.

Mr. Chairman, I join you in welcoming all of our distinguished witnesses and thank them for making the time to join us here today.

The issue of charging visitors for the use of their public lands is complex and controversial. For many Members on both sides of the aisle, including myself, charging a fee of any kind is unacceptable given that these are public resources which have been acquired and managed using funds supplied by the American taxpayer. To then assess those taxpayers a further fee in order to actually use these resources appears to be double taxation.

Of course, user fees would be unnecessary were the Administration and Congress able to work together better to provide our National parks, refuges, and other public lands sufficient funds to meet all of their needs. Other members, however, view user fees as an equitable solution to the growing problem of deferred maintenance within our public land system. What most members do agree on, however, is that the current Fee Demo Program is not the ideal solution to this problem. Fees should either be abandoned completely, or if we are to have a fee program, it should be properly authorized rather than continue to exist in this limbo of sporadic extensions through Interior appropriations bills.

Congressman Regula is to be commended for taking an important step by introducing H.R. 3283. This is a comprehensive piece of legislation and provides a valuable starting point for this debate.

Again, I want to welcome our witnesses and I look forward to their testimony.

Mr. RADANOVICH. Thank you very much, Donna.

And again I want to welcome our first panel member, the Honorable Ralph Regula, representing the 16th District of Ohio.

Ralph, welcome to the Subcommittee, and we enjoy the opportunity of hearing about your bill.

**STATEMENT OF THE HON. RALPH REGULA, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO**

Mr. REGULA. I would ask that my full statement be entered into the record.

Mr. RADANOVICH. There being no objection, so ordered.

Mr. REGULA. We have all have limited time. I might hit a few highlights and then respond to questions that you might have.

When we created this, our goal was to deal with backlog maintenance. So what I discovered when I took the chairmanship of the Interior Subcommittee is that there is a huge backlog of maintenance needs, and one of the ways to address these was to provide a modest fee that could be used for that purpose, and I think that has happened in most instances. We provided that the money collected from fees should be used for maintenance, backlog maintenance, and to enhance the visitor experience, and I think that has been achieved as one of our goals.

The requirement that 80 percent of the revenue generated stay in the park or the facility that generates it ensures that it would be used for that purpose, and as I have visited parks, I have had a number of maintenance people come up to me and say we are so thankful because we have been neglecting safety issues, we have

been neglecting health issues, we have been neglecting the trails at one of the facilities, and now we have some money to do this with. And I talk to visitors, and they don't object to paying a modest amount. In fact, I urge all these superintendents to put a sign up at the entrance saying that the money that you pay here in fees will be used for this facility, and I think people welcome that understanding and they welcome an opportunity to have a better facility for their experience.

I would point out that I was at The Presidio this past weekend, and, of course, that and Golden Gate includes a number of facilities. They do have a rec fee in part of their facilities, not the Christy Field, for example, not the trails within the Presidio, but two of the locations that they have do have rec fees, and of course about a third of their visitors come from all offshore that don't pay any taxes toward the maintenance of those facilities, but they do pay the rec fee which helps to give them a better experience.

I think that the features that were outlined in the bill are good. You have tried to address these and we have tried to address these in the language we provide. One of the things that I have been struck with is the superintendents telling me that their vandalism level has been reduced when they have a rec fee because people have an ownership because they know that they are there. I still remember so clearly, I visited Angeles National Forest, and there they had this beautiful—because that is basically the park or the open space for the people who live in Los Angeles, but it abuts right up against the city.

So they built this lovely area with picnic tables, with swings, with cooking burners where you could charcoal and so on. It was a beautiful area for the public to use. A couple of days before we visited this, somebody came in with one of these vehicles with huge balloon tires and crushed everything, just drove over it, smashed it. Now, what mentality would cause somebody to do that totally escapes me, but if that individual had to stop and pay a couple of bucks, five dollars maybe to get in there, they would be very reluctant to do that because they would know that there was some possible way of identifying them as being in the facility, and I think it wouldn't have happened, frankly.

This is what superintendents tell me, that this sense of ownership, this sense of people knowing that somebody knows they are there has reduced the level of vandalism, and we hadn't anticipated that, but it is one of the benefits.

As you pointed out, it raised almost a billion dollars, and I have to say at the outset I made it very clear that this was not done in the appropriations process to replace the level of dollars that we put in these systems, and I don't think the evidence would indicate anything else. What it does is supplant what we appropriate, and it does give the park superintendents and their maintenance crews something to work with to, at Muir Woods, for example, improve the trails. I visited Muir Woods, and they were using porta-potties at one time. That is a heck of a way to treat the public, and of course I came back and put in a line item and took care of that.

Sid Yates was Chairman of our Appropriations Committee and I have been on Interior Appropriations for 30 years, but Sid said, I can't afford to have you travel because you come back and you

want to take care of all these problems that you saw when you were out. And it is true. If you go the Muir Woods today, they have an excellent sanitary system, but the superintendent also told me when I visited there a few years back that she had done a lot with trail improvement with this money, and she was so grateful that they had this little extra money that they got from the fee collections.

I think if you make this program permanent, and that is the way it ought to be done rather than on a temporary basis through the Interior appropriations bill. It will enable superintendents to do planning. It will enable them to ensure that they can deal with the maintenance problems. I pushed hard as Chairman of Interior to deal with the backlog maintenance, and we made some progress, because you have to take care of facilities. I was in Yellowstone, and my wife said the restrooms there need some help. They weren't porta-potties, but they needed some improvements. So we suggested to the superintendent that might be a good place to use some of the fee money, because we want visitors to have a good experience. We want the roads to be safe. We want the campsites to be reasonably attractive. We want the hiking trails to be that way.

And I might say that this bill doesn't put fees on back country trails and that type of thing. It is to deal with the backlog maintenance of the facilities that the public are using, and certainly in my conversations with the visitors, they don't feel at all that they are being put upon to provide a modest fee.

I know there has been some discussion that maybe we should limit it to the Park Service. The only comment I would have is this, that I think the Forest Service more and more is going to be part of our recreational base for this country, because they have the vast acreage. They have beautiful trails in places that people want to go, and the pressure is going to be on for more and more open space, and because of the limitations we put on harvesting, I see the forests and BLM and all these agencies getting more and more into the recreation business; and therefore, I think with maybe some changes in the language, they should be part of it.

But certainly the parks should have the ability to do the rec fee, and if it is permanent, they have they can plan accordingly and embark on long-term maintenance programs that will enhance the visitors' experience, safety, and, frankly, the pressure is going to grow and grow on the parks. I was interested to note that the fees collected in the past year have gone up substantially because more people are visiting, and in my experience out at The Presidio this weekend, it was a busy place, and people really seek outdoor experience.

And I'll just share one last experience: When I travel, I like to visit parks in other countries. When I was in Warsaw, I said show me your best park. We were there for an NATO meeting. So they took me 30 miles out to show me this park. I said, This is the best you have? Yes, that is the best. Well, they had a few campsites. They had a few of these charcoal burners, and it wasn't Yellowstone, I can tell you, or The Presidio. I said, Look, do you get many visitors. He said, On the weekends, this is wall to wall, because there is such a craving for open space.

I thought this morning driving in, what in the world are we going to do in this city 50 years from now when the population is doubled when the traffic is almost impossible. Well, we are setting the stage for a growing, growing population, and I think growing, growing interest in recreational opportunities and open space, and this program offers a way to ensure that the system can keep up and keep current with their maintenance and with providing safety facilities and so on, and I believe that the public would be very supportive and has demonstrated they are very supportive for a modest fee for this purpose.

User fees are not anything unusual in our society. We pay user fees in a lot of different ways, and if you want the most persuasive testimony, just talk to a park superintendent and especially talk to the maintenance crew. I was in—what is the one in the State of Washington, right up in the northwest corner of the State of Washington? I forgot.

Mr. RADANOVICH. Olympic?

Mr. REGULA. Olympic. The superintendent says to me, he said, You are the hero of our maintenance crew. He said they have been so frustrated because the budget is always so tight that they don't have money to do the repairs they need, and now they do. And he said they are very conscientious, and my experience with park personnel, they are extremely conscientious people. They care. They really care, and this enables them to ensure that the public has a good experience.

Maybe it needs a little tweaking. I worked with the departments to try to get a bill that would work. We don't mandate a specific fee level. There is no requirement that you have to purchase a National plan. That is not privatized land management, and we are not going to put anybody in jail for failing to pay a fee, but I don't think you can underestimate how important it is to give people a good experience and how important it is to ensure that they get an element of ownership which reduces this vandalism problem.

And I will be happy to answer questions that you might have, but I hope you will give this a lot of consideration in making it a permanent program so that our managers, starting with the director Nationally, and each park site can plan to enhance the visitor experience and can plan to meet the growing pressures that exist on these systems as the population grows. We have the Cuyahoga Valley between Cleveland and Akron, and any weekend you go out there and there are no fees there. There are too many entrances, but every weekend you go out there, there is just thousands of people on the trails, on the bicycle paths, and so on. As the population grows over the next many years, it is important that we address those needs.

And I thank you for giving us this opportunity.

[The prepared statement of Mr. Regula follows:]

**Statement of The Honorable Ralph Regula, a Representative in Congress
from the State of Ohio**

Mr. Chairman and members of the Committee, thank you for inviting me to testify before you today on an issue that I feel strongly about. Maintaining and enhancing our national parks, forests and other Federal recreation areas is not easy or inexpensive. As demands exceed available funding, routine maintenance is too often deferred and improvements postponed, which in turn degrades the recreation

experience for our constituents. I am hopeful that after many years of hearings, debates, and experiments on this subject that we can work together to find a solution to provide these lands with adequate funding and the necessary services to enhance visitors' experiences.

In 1995, when I became Chairman of the House Subcommittee on Interior Appropriations, I decided to do something about the deteriorating conditions in our national parks, forests, and refuges. As part of this effort, I established a demonstration program to charge nominal fees and use the revenue for maintenance and improvements at the site where they were collected. Specifically, no less than 80 percent of the revenue collected would stay at the site and would go towards needs identified by visitors.

Since its inception in 1996, the Rec Fee Demo Program has generated over one billion dollars. These dollars have gone towards reducing the growing backlog of deferred maintenance, protecting natural resources, enhancing facilities, and improving visitor services and safety. For the price of less than a movie ticket, visitors are able to enjoy cleaner facilities, well-maintained trails and an overall better recreation experience. Because visitors have a financial stake in the land, they are much less likely to commit vandalism and property damage. In addition, I have heard of no instances in which this program has blocked public access or reduced visitation. In fact, visitation has increased as services have improved.

Based on these positive results, I worked with the land management agencies to draft legislation to move this program out of the experimental phase. The result is, H.R. 3283, the Federal Lands Recreation Enhancement Act. Included in the bill are several new initiatives based on recommendations from outside sources and from experiences learned from the demo program. Among these improvements are restricting fees to only sites where there is a federal capital investment, establishing different fee levels to reflect the level of that investment, allowing access to many or all sites with the same pass, and making agencies more accountable for how they spend money.

We are already beginning to see changes in the way fees are being administered and collected. Since the implementation of the Forest Service Blueprint in January they have dropped fees at over four hundred sites. All this is part of the new policy to make the fees more consistent nationwide, and to have fees at sites only where there is a capital investment, not just for access. Making the recreation fee more consistent between sites and creating a structured fee system based on the service performed and costs incurred by that site will go a long way towards creating a seamless fee and collection system. It has been established that visitors are willing to pay a fee as long as the fee stays at the site and will be invested in maintaining and upgrading facilities they use.

Some people have complained that the fees do not stay at the recreation site and instead go towards collecting fees and administering the recreation fee program. Others claim that up to fifty cents from every dollar is used for administering the program and collecting fees. This could not be further from the truth. The cost of collection for the agencies over FY00 through FY02 has remained roughly consistent at about 20 percent of fee revenue. This number will only decrease as the program continues to improve and coordination of programs is enhanced.

There is tremendous value for the American public in maintaining this fee authority for the Forest Service. Much of the controversy surrounding the Forest Service was due to the entrepreneurship its employees exhibited when the rec fee demo began. I commend this agency for really testing a variety of fee mechanisms, and for being responsive to public concern of the implementation during the experimental, demonstration phase. In the long run, we have learned from this process, and we are now better situated to implement a permanent program. The funds retained at many Forest Service recreation sites are essential to providing quality recreation experiences to the public, and this should not be discontinued.

Accountability is essential on the part of the agencies that value these funds. They must be accountable for the use of their receipts and use them to reduce the backlog maintenance and for visitor service enhancements. The receipts should not be used to replace Federal appropriations. They should work in concert with the Federal investment. Recreation fees are not double taxation; rather, they serve as partial payment for use of special recreation sites. Under my bill, fees are not charged for access to back country, only for use where there is developed infrastructure.

I believe, if made an authorized program, the Fee Demo Program will continue to yield positive results. Never has it been more apparent than during these difficult budget times that our Federal Lands need these funds to maintain their facilities, provide for the increase in visitors, and homeland security costs. In FY03 the Fee Demo Program raised \$176 million for all four agencies involved, approximately a

\$1 million increase over FY02. Without these fees Federal Lands would not be able to provide our constituents with the amenities they desire and deserve, such as clean restrooms, maintained trails and staff for customer service.

I would also like to take this time to clear up several misconceptions about this legislation:

- This bill would not mandate a specific fee level. Each fee would be determined by the land management agencies, based on a number of factors, including the value of the visitor experience and the level of federal investments. In fact, this bill establishes a fee structure so that fees would be more uniform from site to site. Several kinds of visits would be exempt from fees. For example, there will be no fee for a visitor seeking to see a sunset or a vista, and for back country visitors;
- There is no requirement for anyone to purchase a national pass to visit a local national park or forest. While the bill does give people the option of purchasing one pass to visit all sites, it also provides for an annual site-specific agency pass as well as regional passes. This is done to give the visitor more choices;
- This bill will not privatize land management. On the contrary, this program empowers public land managers, giving them additional resources to do their jobs better;
- This bill will not put people in jail for failure to pay the fee. It brings fee nonpayment in line with other recreation offenses, such as littering and driving off road, which are classified as Class B Misdemeanors. Of course, no one is put in jail for these offenses. The bill only seeks to create uniformity within the law. As a practical matter, the fine (usually around \$50) for fee nonpayment will stay the same. These fees go directly to the U.S. Treasury so that the agencies have no incentive to impose fines other than as a last resort. In addition, these fees are not arbitrarily decided, they are based on a scale and a Magistrate rules on every one. To date the maximum fine ever given by any of the land agencies is \$250; and
- This bill does not discriminate against those who cannot afford the fees. Federal lands should be accessible to all regardless of income. That is why this legislation proposes numerous fee free days and encourages volunteerism as an alternative to easily earn recreation permits without having to pay the fees.

While I am a supporter of the fee demo, I understand the need to be critical and make improvements to the program. If we expect Americans to spend money to take their families to our lands, the fees must be fair, equitable, consistent and convenient. We as Representatives have the responsibility to maintain our public lands while at the same time ensuring Americans that when they visit the Federal recreation sites they will be receiving a service that is worth their hard-earned money.

I have seen firsthand the benefits of the fee demo program. When I first became Chairman of the Interior Subcommittee on Appropriations our nation's parks were in decline. This is why following several hearings I decided to implement a fee demo program. Clearly there was a precedent for this action as the National Park Service had been collecting fees for years. Why not try this with other land agencies? I recognize there are flaws in the program and there used to be many more seven years ago, but we have worked collectively to improve the program and should continue to do so.

It is time now for Congress to take action and authorize the fee demo program. The funds generated from the program are critical to the land agency's ability to provide meaningful and efficient recreation experiences to the public. Services could be cut back and the aesthetic beauty and appeal of these lands could be lost. We have made significant strides in reducing the maintenance backlog, improving our public recreation lands and managing fees since the implementation of the demo. We must continue on this path to ensure that decades from now Americans can continue to benefit from the natural beauty our nation's lands have to offer. I fully intend for this bill to be the starting point, not the end product and I look forward to working with members of the House Resources Committee to bring it to fruition.

Mr. RADANOVICH. My pleasure, Mr. Regula.

If I may start off with one question, I am curious as Chairman of the Appropriating Committees, do you have a concern over the 80 percent of the fee that goes to the park that is not subject to appropriation?

Mr. REGULA. Well, I suppose there is some mechanism you could do on that. I think more important would be a more accountability

system to ensure. I also always had a little concern that at some park, there would be a scandal, if you will, where the fees were used for purposes other than what we intended. To the best of my knowledge, that has not happened, and I think it reflects that you have very conscientious people in the Park Service. It always amazes me how many volunteers they get in these parks. I think they told me at The Presidio they have 15,000 people in one way or other another volunteering. That is terrific. Particularly it is wonderful for retirees. It gives them a mission.

But I think accountability would perhaps ensure that we have that built into the system.

Mr. RADANOVICH. Very good. Thank you, sir.

Donna, any questions.

Mrs. CHRISTENSEN. Thank you, perhaps one.

As I said in my opening statement, you know, I think this helps us to begin to talk about an important issue to parks. In Saint John, we have a Demo Program which has not been without controversy, of which I have been in the middle of it, of course, but it has been helpful to the superintendent there to better maintain Trunk Bay and the other areas where it is in place. But at this time, the National Park Service, for example, is reaching out to population groups that have not really fully taken advantage of our parks and visited our parks. A lot of our them are poorer populations, minority populations and so forth.

Would you have any concern or how do you think we could address those groups that don't usually use the parks and the fact that a fee pay may present an additional barrier as we reach out and try to include more population groups in utilization of the parks?

Mr. REGULA. Well, I think you could have special programs for seniors, for school groups, so that students would learn the pleasure and the wonderful things that take place in the park. The fees are pretty modest, generally, in most of the parks, and we do, I think in the bill, allow fee-free days to ensure that if you have those kind of situations, that no one is ever excluded from the facility. They might pick the fee-free day, and also volunteers do earn credit toward whatever fee there might be.

People do have a love affair with the parks, and I think we should in every possible way make them accessible, but we want them accessible where they are safe, where their trails are maintained, and the rest of restrooms and the sanitary facilities of all kinds, campsites are attractive, and this would help a lot with that.

Mrs. CHRISTENSEN. Thank you for your answer. I don't have any other questions. And thank you for considering taking those issues into consideration as the bill was followed.

Mr. REGULA. Well, I don't want anybody denied, and in some places near the big metropolitan centers, like the Cuyahoga Valley where there are five or six million people in the base, there are no fees collected there because there are multiple entrances, and I talked with the superintendent in the Golden Gate, and he said much of the area at The Presidio within Presidio within San Francisco's boundaries is open to everybody. There are no fees, and I saw thousands of people there on the weekends.

Some areas you have trails. You have campsites. You have water, sanitation problems, and this gives them a helping hand, but we still have the free days to ensure that everybody gets a crack at it.

Mrs. CHRISTENSEN. Thank you, and I am going to plan some trips for you to communities where there are high health care disparities. We will be talking to you about that at another time. Thanks.

Mr. REGULA. OK.

Mr. RADANOVICH. Thank you, Donna. Mr. Souder, any questions?

STATEMENT OF THE HON. MARK E. SOUDER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. SOUDER. Thank you.

Good to see you, Mr. Chairman. I wanted to mention a couple other things that I have raised to you in the past, and this is a good opportunity to get it on the public record.

One thing is I am concerned about the National Parks pass. As we increase the demo fees at some of the major parks, we are pushing more people to move to that pass, which defeats the whole point of the demo fee, which I think has been an amazing thing with very little opposition anywhere in the country, and it is time to make it permanent and I applaud your leadership; but one thing that I think that we need to do is push to have the National pass price raised, because we have some of these parks at \$20, or as you see the Utah parks where there are five of them in a row, unless you are kind of naive or uninformed, you are going to get a pass at the beginning or the end or get it before you plan a major vacation, which defeats the whole point of getting the money to the parks to enable them to do the maintenance fee.

And I like the idea of a National pass, and I always get one myself, but we need to have a market adjustment in the pass as we are making the market adjustments in the park, or we will defeat the whole point of the program, and that is one thing I am going to raise at a number of points here.

Mr. REGULA. Well, probably with a creative staff, you can figure out a way to deal with that, and I know we have discussed that, but I think there are ways to do this, and of course part of the 20 percent would go to that too.

Mr. SOUDER. And Dr. Christensen raised another point that probably we won't be able to put inside this bill without getting jurisdiction with Ways and Means. We are going to check and see, because I think it would be scored so low, it wouldn't matter, but to address her concern, I have long advocated picking a number, whether it is 30,000 or 40,000 in income, and anybody below that income gets an automatic tax credit to offset the cash price of a National Parks card, so that no one in low income would be excluded from the park. For a middle income or higher income family, this is nothing. It costs less than a day at an amusement park to get a National Parks pass for the whole year, and it is just one person, not counting food or anything else they do at an amusement park.

But I believe, personally, that less than 10 percent of the total of that National Parks pass total probably goes to low income

people, in which case it is such an asterisk in the budget, I am not even sure it can't go under suspension and not come under the jurisdiction of Ways and Means, because I don't think most low income people are buying the parks pass, and that would address the question of if we raise that fee, that low income people would be excluded.

Mr. REGULA. Well, I think that anything that can be done creatively in the language to give more people access, because once people visit a park and have the experience, they like it, and they go back, as evident in Poland and Warsaw and their system. They have this new thing that you get a stamp. My wife started the National First Ladies Library, which is now the National First Ladies Historic Site, and she is always surprised how many people come in there and the first thing they want to is to get their stamp, because apparently the Park Service—I don't know if they fill it out or something, but it a challenge for them to get a stamp from as many parks as possible, and that, again, fits with what you are saying about getting a pass.

Mr. SOUDER. And as you pointed out, the largest attendance by far in the parks right now are Golden Gate, Gateway, Santa Monica, Cuyahoga Valley, the urban parks where you have often a metro population of a lower income that isn't impacted.

I want to raise one other thing that I just learned a few minutes ago. Apparently, the Governor of California has just announced that he has pulled the guard off the Golden Gate Bridge and stuck the National Park Service with the Homeland Security costs at Golden Gate Bridge. This is kind of the last straw in how we are going to be able to deal with Homeland Security in the National Parks, because the bridge is under special attack all over the United States. It will take an incredible number of rangers that will have to be pulled off the rest of the Golden Gate, and I urge the Appropriations Committee to do something about getting some of the Homeland Security costs shifted from the National Park Service, because if this starts to hit things like that Golden Gate Bridge, I don't know how they can possibly keep the parks functioning unless we figure how to address the Homeland Security.

Mr. REGULA. Yes. I heard a lot about that when I was at The Presidio this past weekend, and when I thought it about it myself when we crossed the bridge, we went up to Fort Baker, which is part of Golden Gate, because I have had an interest in that as a destination, and it is a marvelous potential site, and I thought to myself these things are really vulnerable, trains, bridges, and so on. And I heard about it had been under guard and it was not at some points.

So that would be an enormously significant burden for the park system if they have to take on that.

Mr. RADANOVICH. Excuse me, Mark. We are going to try to stick to our 5-minute rule. If you could wrap it up, we will do another round of questions.

Mr. SOUDER. Thank you, Mr. Chairman.

Mr. RADANOVICH. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman. I don't really have any questions for the Chairman, but I do want to point out that

on Guam, all of our public areas, parks and so forth, both Federal and local, there are no fees, and I think that we will be able to maintain things a little bit better if we do impose fees.

So I will have a question for the next round.

Mr. RADANOVICH. Thank you very much.

Mr. Peterson.

STATEMENT OF THE HON. JOHN E. PETERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. PETERSON. I would just like to commend the Chairman for his leadership on this issue. I concur with this proposal, and I guess the point I wanted to make on the discussion previously about people being prevented, all parks have lot of free areas that are not fee. Am I correct?

Mr. REGULA. I think that is correct.

Mr. PETERSON. I think the fee system has been sort of targeted at those facilities that cost a lot of maintain and that people who utilize them, like boat launches and I know in the National Forests, the four-wheeler trails. I mean, these are \$6,000 toys that people play with. A small annual fee to maintain those trails is, I don't think, out of the way, and I don't hear any complaints because they are just looking for places to run their snowmobiles and four-wheelers and their toys, which are expensive play toys, and that is why I have always been supportive of the fee system.

Historically, Congress has not adequately funded the maintenance of some of the most beautiful lands we have in this country, and I think users, especially high-end users who are using things that cost a lot of money, should pay for that, and hopefully it will enable us to enhance these parks to where we even have more attractions and can keep them beautiful and in shape so that it is the kind of experience people expect when they go to a park.

I would like to commend the Chairman on his leadership.

Mr. REGULA. Thank you.

Mr. RADANOVICH. Thank you, Mr. Peterson.

Mr. Udall.

STATEMENT OF THE HON. MARK UDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. MARK UDALL. Thank you, Mr. Chairman.

I wanted to welcome you, Mr. Chairman, to this Subcommittee. I think you know it is the best run subcommittee on the Hill except for that little subcommittee you head. Mr. Radanovich does a great job over here.

Mr. REGULA. Well, I commend you for your attendance. I have been to a lot of committee hearings where the chairman is it. I have been in a number of those myself.

Mr. MARK UDALL. I appreciate the way that you are proceeding. We have had some of these debates over the last couple of years through the appropriations process, and I think it is timely that we are going to debate this fee demo issue through an authorization process, and I want to thank you for your leadership.

I did miss the early part of your testimony. If I might, I would ask you just to discuss the question of whether a permanent fee

program would tend to replace appropriations or supplement them. That is, as you know, a heated discussion all over the country.

Mr. REGULA. Well, I made the statement, and we did this when I initiated it as Chairman of the Interior, that absolutely not. That is the reason we wrote in the language that it would be used for backlog maintenance. It would be used to enhance the visitor experience, and I don't believe there has been any evidence whatsoever that the Interior Appropriations Committee, either House or Senate, have said, well, we don't have to do as much because they are collecting fees.

The fees are collected where there is a facility that will benefit from additional efforts, and I have had any number of times when I visited parks that the maintenance crew, I am their hero sort of because they have had to neglect maintenance. It is not very sexy to fix a roof or a step or a trail, or in a case of Muir Woods, at one point they had porta-potties. We should make these parks attractive, the visitor sites, the camp grounds, and that is what this is designed to do, and it does not impact on the appropriations.

Mr. MARK UDALL. I appreciate that clarification. Obviously, one of the opportunities we have here, but one of the challenges is to do a better job, and when I say we, I mean all of us in the Congress, but also the land agencies of informing the general public about the benefits of the Fee Demo Program and how it is reinvested. There are cases where we haven't done that very effectively, and I think that has led to some misperceptions.

Mr. REGULA. Well, I have pushed everybody that will listen to put a big sign out there at the entrance to say that the fee you pay will be used to deal with maintenance and with your experience here. In a couple of parks I visited, I could tell the paint was still wet, and we were getting their attention anyhow.

Mr. MARK UDALL. I know that in an area in my district, one of the operators of a little marina—this is the Green Mountain Reservoir in northern Summit County—they were actually in a position where the local Forest Service, I believe—now, BLM land abuts the Forest Service land there, so I may not have my facts correct here about which agency was managing the fee demo project, but they were not actually collecting the receipts. So the owners of this small business were collecting the receipts, and they were in a way happy to do that, but they also had gotten an impression that the agency didn't really care particularly about this fee demo project.

So I think we also have to work to ensure that the agencies have the capability of actually administering the Fee Demo Program.

If I could make one other comment also, maybe there is an opportunity here to involve the public a little bit more on the front end. At some point, the process could bog down, but there is perhaps a way to do that to allay some of the suspicions and the feeling that get generated.

Mr. REGULA. Well, my experience in visiting in the parks and with visitors is that they are supportive. As you point out, when they see where it is going into the park where it is generated, there is very little resistance.

Mr. MARK UDALL. I would just conclude and thank you for your leadership. My predecessor, Congressman Skaggs always

appreciated his working relationship with you and would come home to Colorado and say there is a guy in Ohio that really gets it here when it comes to our public lands in the west. So thank you for your leadership.

Mr. REGULA. Thank you.

Mr. PETERSON. [Presiding] Does anyone have any further questions that they would like to ask the Chairman?

I would like to thank the Chairman for coming and putting his bill out there—I agree with it—and for his leadership on this issue, and we just want to thank you for coming and sharing it with us today.

Mr. REGULA. Well, thank you for this opportunity.

Mr. PETERSON. OK. If you would like to join us at the podium, you are welcome to, Mr. Chairman.

Mr. REGULA. I will stay for a few minutes. You know how we all have too many things to do.

Mr. PETERSON. OK. We understand that.

Mr. PETERSON. We would like the second panel to come forward and take a seat: Ms. Lynn Scarlett, Assistant Secretary for Policy Management and Budget for the Department of Interior; Mr. Tom Thompson, Deputy Chief, National Forest System, U.S. Forest Service; Mr. Barry T. Hill, Director of National Resources and Environmental, General Accounting Office, Washington, D.C.

If you all would take your seats, we would like to remind you that you all have 5 minutes to present your views and thoughts and share with the Committee, and then we will take questions after all three of you have spoken.

Mr. PETERSON. Ms. Scarlett, you are on, and welcome.

**STATEMENT OF LYNN SCARLETT, ASSISTANT SECRETARY,
POLICY, MANAGEMENT AND BUDGET, U.S. DEPARTMENT OF
THE INTERIOR, WASHINGTON, D.C.**

Ms. SCARLETT. Thank you, Mr. Chairman, and Members of the Committee for the opportunity to present the Department of the Interior's views on H.R. 3283 regarding recreational fees and passes. I would like to especially thank Congressman Regula for introducing the bill and his critical role in the creation and the extension of the Fee Demo Program over the last several years. The Department strongly supports this bill with several technical amendments.

A permanent multi-agency recreation fee program does allow us to substantially and significantly improve our ability to meet visitor demands for enhanced visitor services and facilities. It also enhances our efforts, as Mr. Regula pointed out, to address maintenance backlog needs on our public lands. Growing numbers of Americans are visiting public lands in our parks, our forests, our wildlife refuges, as well as Bureau of Land Management Lands. Indeed, that recreation has increased most dramatically on Fish and Wildlife Service and Bureau of Land Management lands. Since 1985, recreation demand has increased approximately 65 percent on Bureau of Land Management lands, 80 percent within Fish and Wildlife Service refuges.

The Administration strongly supports ensuring that visitors have outstanding recreation experiences. Fees have provided nearly \$200

million each year in recent years that are invested directly at the sites where the recreation activities are occurring. At Chincoteague National Wildlife Refuge, for example, recreation fees totaled approximately 40 percent of that refuge's ability to add and enhance and serve the public for recreation activities. At Moab in Utah, recreation fees contributed over 69 percent of the total recreation moneys available to the Bureau of Land Management to build campsites, provide toilet facilities, provide boating ramps, and related infrastructure. These revenues are the backbone of special services to the user public, and they complement rather than substitute for appropriations funding provided by Congress.

As we look at recreation and visitation patterns, we conclude that it is not the agency label that is relevant. Many lands, regardless of which agency manages them, display similar features in terms of recreation activities, amenities, and visitation levels. Red Rock Canyon National Conservation Area, for example, has striking similarities to Arches National Park and the Sedona Recreation Area. Red Rock offers visitors world class rock climbing, a visitor center, bookstore, toilet facilities, picnic areas, and many other infrastructure. Chincoteague National Wildlife Refuge and Assateague Island National Park protects similar environmental and wildlife resources, and both offer visitor centers, a bookstore, toilet facilities, observation decks, and hunting blinds.

Our visitor surveys show strong support for the recreation fee program when these dollars are invested back on the site to better serve visitors. We support provisions in H.R. 3283 that keep a majority of recreation fees at the site to enhance visitor facilities and services. Visitors have come to count on the extra services and special amenities that these fees have enabled us to provide. At Lake Havasu, for example, there are now over 3.1 million annual visits. To serve these visitors, the Bureau of Land Management has replaced 50 leaking and deteriorating fiberglass outhouses and 36 block wall accessible restrooms. They have installed 700 feet of river bank block walls and used the recreation fees to now maintain this very substantial infrastructure.

We are aware of concerns that some Members of Congress have, particularly concerns that fees might be charged where no recreation amenities exist. H.R. 3283 would address this issue. Many of these concerns arise from practices applied during the experimental introduction of fees at the outset of the Fee Demo Program. All agencies have learned from those experiences, and we have made adjustments to address public concerns.

All Interior agencies now have discipline processes for making determinations regarding the introduction of recreation fees. At the Bureau of Land Management, most locations must first be designated in a land use plan as a special recreation management area with the sort of public engagement and involvement that Mr. Udall has suggested. This process includes notice in the Federal Register and several opportunities for public comment and ultimate approval by the state director as well as an appeals process.

The Fish and Wildlife Service similarly has a rigorous review process and public engagement as they develop proposals for fee sites. Using these management procedures, the result for Interior has been that a very small percentage of Fish and Wildlife Service

and BLM sites actually utilize recreation fees. Eighty-nine percent of BLM sites do not charge fees. Seventy-eight percent of Fish and Wildlife sites do not charge fees.

We believe another key provision as we move forward with fees is to develop collaborative partnerships that allow counties that provide services to visitors to share revenues and maintain the nexus between the visitors who pay the fees and the benefits. H.R. 3283 would provide for the creation of regional multi-entity passes so that Federal, state, and local sites can provide visitors with combined and streamlined quality recreation. This is exactly the model that we are now using at places like Sand Flats where we also have a cooperative agreement with the county, and the county actually collects the fees and we jointly manage state lands and BLM lands for recreation services.

Mr. Chairman and Members of the Committee, we believe that H.R. 3283 would translate our experiences over the past several years into a permanent fee program that would enable us to better serve the public, continue to enhance the infrastructure that they have, and be the best that we can be. I look forward to any questions you might have and appreciate your strong interest in this issue.

Thank you very much.

[The prepared statement of Ms. Scarlett follows:]

Statement of P. Lynn Scarlett, Assistant Secretary for Policy, Management and Budget, U.S. Department of the Interior

Mr. Chairman, thank you for the opportunity to present the Department of the Interior's views on H.R. 3283, a bill to improve recreational facilities and visitor opportunities on Federal recreational lands by reinvesting receipts from fair and consistent recreational fees and passes, and for other purposes.

The Department of the Interior (Department) strongly supports H.R. 3283, and we along with the Forest Service would like to offer several technical amendments. The establishment of a permanent multiagency recreation fee program would allow us to meet visitor demands for enhanced visitor facilities and services on our federal lands. The recreation fee program is vital to our ability to provide our visitors with a quality recreational experience. It significantly enhances the Department's efforts to support the President's initiative to address the deferred maintenance backlog at our National Parks and enables us to better manage other federal lands. H.R. 3283 would allow the agencies the certainty that is needed to better serve visitors by making long-term investments, streamlining the program, and creating more partnerships.

Our federal lands boast scenic vistas, breathtaking landscapes, and unique natural wonders. On these lands, many patriotic symbols, battlefields, memorials, historic homes, and other types of sites tell the story of America. Federal lands have provided Americans and visitors from around the world special places for recreation, education, reflection, and solace. The family vacation to these destinations is an American tradition. We want to ensure that the federal lands continue to play this important role in American life and culture. Fulfilling this mission requires that we maintain visitor facilities and services, preserve natural and historic resources, and enhance visitor opportunities. Such efforts require an adequate and steady source of funding that can quickly respond to increases in visitor demand. Recreation fee revenues provide us important supplemental funding that better enables us to serve those using recreation amenities.

Although recreation fees date back to 1908, Congress first established broad recreation fee authority in 1965 under the Land and Water Conservation Fund (LWCF) Act. In enacting this authority, Congress acknowledged that the visitors to federal lands receive some benefits that do not directly accrue to the public at large and that charging a modest fee to that population is equitable to the user and fair to the general taxpayer. In 1996, Congress took that idea one step further when establishing the Recreation Fee Demonstration (Fee Demo) program for the National Park Service (NPS), the Bureau of Land Management (BLM), the U.S. Fish and

Wildlife Service (Fish and Wildlife Service), and the U.S.D.A. Forest Service (Forest Service). During the 105th Congress, a House Appropriations Committee Report noted that the Fee Demo program was developed in direct response to the federal agencies' concern over their growing backlog maintenance needs. The Fee Demo program allowed participating agencies to retain a majority of recreation fees at the site collected and reinvest those fees into enhancing visitor facilities and services. This authority was deliberately broad and flexible to encourage agencies to experiment with their fee programs. Congress has demonstrated its support of the Fee Demo program by extending the program seven times and expanding the program by lifting the initial one hundred site limit per agency.

H.R. 3283 reflects the lessons we have learned in implementing the Fee Program over the last eight years by creating a permanent multiagency recreation fee program that balances the desire to restrict authority only to sites where an investment is made in visitor facilities or services with the need to provide enough flexibility to meet the changing recreation demands of our visitors. We would like to share our views on some of the key provisions of this bill as well as some of our observations about recreation activity on federal land.

A Multiagency Permanent Recreation Fee Program

We strongly agree with H.R. 3283's creation of a multiagency permanent recreation fee program. The Department has found that the pattern of recreation on our federal lands has changed dramatically. National Parks continue to be a destination favorite for American families. However, more than ever, Americans also are choosing to recreate on lands managed by other federal agencies, such as BLM and the Fish and Wildlife Service. Since 1985, recreation demand has increased approximately 65 percent on BLM lands and 80 percent on National Wildlife Refuges. Over the same time period, the Bureau of Reclamation estimates an increase of 12.5 percent or 10 million recreation visits for a total of 90 million visits to their 288 lakes. With this increase in visitation is an increase in visitor demand for adequate visitor facilities and services. Because many of our visitors do not distinguish among federal land management agencies, many expect to find the same amenities typically provided at National Parks, including hosted campgrounds, permanent toilet facilities, and potable drinking water. This increase in visitor use on these other federal lands also creates a greater need to expend funds to protect natural and cultural resources—the resources that are often the very reason visitors are drawn to the particular site. A permanent multiagency recreation fee program allows each agency to respond to the needs of the visiting public.

Many lands, regardless of which agency manages them, display similar features in terms of recreation activities, amenities, and visitation levels. For example, Red Rock Canyon National Conservation Area (NCA), managed by the BLM, has striking similarities to Arches National Park, managed by NPS and to Sedona Recreation Area, managed by the Forest Service. Both Red Rock Canyon NCA and Arches National Park were created to protect their unique geological features and offer visitors world-class rock-climbing, a visitor center, book store, toilet facilities, and picnic areas. Both sites charge a modest recreation fee, a majority of which stays at the site to enhance facilities and services. As in other BLM sites, visitation at Red Rock Canyon NCA has increased substantially in recent years. Visitation increased 5.5 percent from 761,445 recreation visits in FY 2001 to 803,451 recreation visits in FY 2003.

Chincoteague National Wildlife Refuge and Assateague Island National Seashore both protect exceptional beaches, maritime forests, saltwater marshes, wild horses, Atlantic flyway and migratory bird sanctuaries, and cultural resources. These sites offer visitors similar amenities such as a visitor center, a bookstore, toilet facilities, observation decks, and hunting blinds. In FY 2003, the park received approximately 2 million recreation visits on its 39,723 acres while the refuge received approximately 1.5 million recreation visits on its 14,062 acres. The park has two entrance stations, and the refuge has one entrance station and several public boat landings. Both sites charge a modest recreation fee, a majority of which stays at the site to enhance facilities and services. To accommodate visitors' enjoyment of both sites and to minimize fee layering, the park and the refuge have entered into a reciprocal fee agreement. A visitor who purchases a single visit entry or a site specific annual pass at either the refuge or park or holds a National Parks Pass or a Federal Duck Stamp can enter either site for no additional fee.

	Assateague Island National Seashore (NPS) <i>Virginia and Maryland</i>	Chincoteague National Wildlife Refuge (FWS) <i>Virginia</i>
Features	Ocean, beaches, dunes, maritime forest, inlets, salt water marshes, estuaries, wild horses, Atlantic flyway and migratory bird sanctuary, submerged and land based cultural resources – shipwrecks, former U.S. Coast Guard Station	Ocean, beaches, dunes, maritime forest, inlets, salt water marshes, estuaries, wild horses, Atlantic flyway and migratory bird sanctuary, land based cultural resources – Assateague Island Lighthouse
Amenities	Visitor Center Toilet Facilities Bookstore Observation Decks Hunting blinds Nature trails Bicycle Trails Interpretive waysides Canoe rental Lifeguards Bathhouse Campground Picnic areas	Visitor Center Toilet Facilities Bookstore Observation Decks Hunting blinds Nature trails Bicycle Trails Interpretive Waysides Wildlife Loop Drive
Activities	Swimming, Beachcombing, Surfing, Fishing, Crabbing, Hiking, Bicycling, Over sand driving, Wildlife Observation, Birdwatching, Photography, Deer/waterfowl hunting, Guided Ranger Programs, Environmental Education, Canoeing, Kayaking, Camping, Picnicking, Horseback riding,	Swimming, Beachcombing, Surfing, Fishing, Crabbing, Hiking, Bicycling, Over sand driving, Wildlife Observation, Birdwatching, Photography, Deer/waterfowl hunting, Guided Ranger Programs, Environmental Education, Canoeing, Kayaking, Picnicking, Interpretive Bus Tour
FY 2003 Revenue	\$1,014,043	\$696,750
FY 2003 Visits	2,001,072	1,466,463
Site Acres	39,723	14,062
Access Points	One entrance at north, one at south (operated by Chincoteague NWR)	One entrance station, several public boat landings – no fee
Current Entrance/Use Fee Both units accept each others annual passes as well as the National Park Pass and Federal Duck Stamp	\$10 per vehicle (7 days) \$3 per person – by foot/bicycle (7 days) \$20 Annual pass \$70 Annual Off Road vehicle permit \$20 Camping (reservation system) \$16 Camping (off season, no reservation)	\$10 per vehicle (7 days) \$15 Federal Duck Stamp \$15 Annual pass \$70 Annual Off Road vehicle permit \$20 Archery and firearm permit \$ 5 Hunt application fee

As with some National Parks, recreation fees can represent a substantial contribution to a FWS or BLM site's total budget. In Moab, Utah, recreation fees contribute over 69 percent of the total recreation budget. Recreation fees total \$500,000 while the recreation resource management appropriations total \$196,000. In Chincoteague National Wildlife Refuge, recreation fees totaled approximately 40 percent of that refuge's base budget in FY 2003. Chincoteague collected just over \$650,000 in recreation fee revenues and its base budget and maintenance project money was approximately \$1,655,500 that year.

A Permanent Multiagency Recreation Fee Program that is Limited to Areas that Provide Enhanced Facilities or Services

We understand that our visitors seek a broad range of experiences when they choose to visit their federal lands and that a successful recreation fee program would enable us to offer these recreation options to the public. H.R. 3283 would provide this opportunity by limiting the program to areas where the visitors are provided enhanced facilities and services. Some visitors, for example, choose our federal lands because they want a unique individualized experience with nature—they seek out areas where they can camp under the stars at undeveloped sites, hike alone along a river, and enjoy the solitude. These visitors do not mind carrying all of their food in and all of their garbage out, and they would prefer areas that do not have picnic tables, toilet facilities, or visitor centers. Even under the broad authority of the Fee Demo program:

- 89 percent of BLM sites do not charge Fee Demo fees;
- 78 percent of FWS sites open to visitation do not charge Fee Demo fees;
- 75 percent of all Forest Service sites do not charge Fee Demo fees; and
- 40 percent of all NPS sites do not charge Fee Demo fees.

In contrast, we understand that other visitors enjoy a more structured recreation experience. These visitors enjoy viewing interpretive films, attending lectures about geology, history and culture at a visitor center or museum, and riding trams or other types of transportation to see the sites. Their preferred lodging is a developed cabin or hotel. For these reasons, these visitors often choose to visit destination National Parks.

Still other visitors prefer a little bit of both experiences. These visitors often visit areas managed by one of many different agencies, including the BLM, FWS, and the Forest Service. These visitors enjoy a less structured experience and more direct interaction with the land and its unique resources, but still want certain facilities, such as toilet facilities, interpretive exhibits, boat ramps, and developed parking areas. Other areas that appeal to these visitors are the popular weekend destinations that are located near major urban centers. Because of the sheer number of visitors at these locations, the need for visitor services increases. Such services include increased medical and emergency services, increased maintenance of toilet facilities and trails, and greater protection of natural, cultural, and historic resources. Modest recreation fees that primarily stay at the site of collection make such enhanced facilities and services possible.

To ensure that the Recreation Fee Program enhances the recreation experience for our visitors, BLM and FWS have made a commitment not to charge basic or expanded recreation fees:

- At areas with no facilities or services;
- For persons who are driving-through, walking-through, or hiking through federal lands without using the facilities or services;
- For undesignated parking; and
- For overlooks or scenic pullouts.

Through the Interagency Recreation Fee Leadership Council (Fee Council), which was created in 2002 to facilitate coordination and consistency among high-level officials of the Department of the Interior and U.S. Department of Agriculture (USDA), the Department also identified seven principles critical to a successful fee program. These guiding principles indicate that fees should be: 1) beneficial to the visiting public; 2) fair and equitable; 3) efficient; 4) consistent; 5) implemented collaboratively; 6) convenient; and should 7) provide for accountability to the public. The Department has committed to applying these guiding principles to any administrative and legislative effort concerning the recreation fee program.

Toward this end, all agencies have administrative processes to limit the expansion of the program to areas where the visitors are provided enhanced facilities and services. For BLM, areas with entrance or use fees must first be designated a Special Recreation Management Area (SRMA). These designations are made in land-use plans and require publication in the Federal Register, environmental analysis and public participation. Any change in nationwide fees, including those that impact commercial, competitive, and organized groups, requires BLM to publish notice in the Federal Register. For changes to Recreation Use Permits, BLM provides opportunities for the public, user groups and gateway communities to get involved when establishing or designating a fee area or establishing fees. Every addition or modification to the fee program in the FWS requires the development of a proposal and approval by the Director.

In the Cascade Resource Area that spans 169,400 acres, BLM only charges an entrance fee at one 550 acre area with developed recreation, the Wildwood Recreation Site. Thus, visitors who seek a more natural experience and do not wish to use facilities and services can recreate free of charge in over 99 percent, or 168,850 acres,

of the Cascade Resource Area. Those who choose to use the facilities and services at the Wildwood Recreation Site, which include a learning center, the Cascade Streamwatch interpretive trail featuring an in-stream fish viewing window, a wetlands boardwalk trail, 2.5 miles of paved trails, two large group picnic shelters, and an athletic field, pay a modest \$3 per vehicle per day fee, \$10 for an annual site pass, or a group facility fee. Visitors who walk-in or bike-in and school groups can use the Wildwood Recreation Site free of charge. Although construction of most of the facilities was paid for out of other funds, just as it is in many National Park Service sites, recreation fees provided the site with \$37,000 in FY 2003, a modest, but significant, contribution to the maintenance and upkeep of the facilities. These services, along with environmental education and interpretive programs, enhance the visitor experience and would not be possible without the recreation fee program.

At Moab, Utah, BLM manages 1.8 million acres. Portions of these lands consist of dramatic geologic structures and canyons through which the Colorado River cuts. The area has become a premier destination for mountain bikers, campers, rock climbers, and off-road vehicle enthusiasts. To provide opportunities for these visitors, BLM has constructed and manages around 400 campsites, groomed and marked miles of trails with signage, provided toilet facilities, and other amenities. These sites attract over 1.6 million visitors annually. The recreation fees charged at these sites generate over \$500,000, comprising two-thirds of the recreation management budget for these areas. At another area near Moab, BLM operates under a joint agreement to provide biking, camping, and off-road vehicle opportunities in an area that includes BLM and State Lands. Through a recreation fee, the partners generate over \$250,000, which enables them to offer trails, toilets, signage, campgrounds, paved parking, and other amenities. Other BLM areas are open to recreation, free of charge for visitors.

These areas abut Arches National Park and Canyonlands National Park, where entry fees are charged. The two parks have 94 campsites, small amounts of OHV recreation opportunities and offer educational and interpretation at the visitor centers and around the parks. The NPS, BLM and Forest Service jointly participate with a County association in operating a downtown visitor center in the heart of Moab.

A Permanent Multiagency Program that Provides for Standardized Recreation Fees, Allows for Development of a Streamlined Pass System, and Minimizes Fee Layering

H.R. 3283 would standardize recreation fees and provide the authority to create a streamlined pass system that allows for creative options based on visitor demand. In working administratively to improve the recreation fee program, the Department has found that the issues of standardizing recreation fees across agencies, creating a streamlined and sensible pass system, and minimizing fee layering—or what might better be thought of as tiered fees—are all interrelated. Historical fee definitions in the LWCF Act and differences among agencies in legislative fee authorities have led the agencies to develop slightly different definitions of what activities are covered by “entrance” fees and those covered by “use” fees. The result has been that, at some sites, a use fee was established rather than an entrance fee, and at other sites, an additional use fee was charged for the primary attraction of the site when the activity should have been covered by an already-paid entrance fee. The lack of consistency among and within agencies has led to visitor confusion and some expression of frustration about fee layering and the related issue of when the Golden Passes established under the LWCF Act and the National Park Passport may be used.

In the Department’s testimony before this Congress during the 107th Congress, we proposed addressing these concerns by creating a new system of “basic” and “expanded” recreation fees that would be consistently applied across all agencies and would minimize fee layering by ensuring that the basic fee covers the primary attraction of the site. Under this system, restrictions would be put in place to ensure that the visiting public is not charged if the agency is not making a certain level of investment in visitor facilities or services. H.R. 3283 contains such important provisions.

The Department supports the provisions in H.R. 3283 that would allow for the streamlining of a multiagency pass and the creation of regional multiagency passes with a standardized package of benefits. The visiting public is interested in having a variety of pass options. Multiagency and regional passes can provide visitors, including nearby residents, with convenient and economical ways to enjoy recreation on federal lands. Passes also can serve as a means to educate the American public about their federal lands and available recreational opportunities. Because of the lack of standardization of fees, however, some confusion has resulted from the exist-

ing pass system. Visitors should be able to expect and receive the same amenities for their pass regardless of which agency manages the site they are visiting.

The Department and USDA have moved forward administratively to address these issues, where possible. Although we are retaining the LWCF terminology, the agencies are making adjustments to standardize the classification of fees to decrease visitor confusion about the passes and minimize fee layering. For example, the Forest Service has expanded and clarified the benefits of the Golden Passes to include 1,500 additional sites. The previous pass policy at those sites was extremely confusing: the Golden Eagle Pass was not accepted; Golden Age and Access passholders were given a 50 percent discount; while a regional pass, like the Northwest Forest Pass, was accepted in full. NPS is evaluating whether passes could be accepted at an additional 30 sites that currently do not accept passes for the primary attraction. BLM has evaluated all of its sites and is now accepting the Golden Eagle Pass at 12 additional sites.

The Department is streamlining the recreation fee system. Our experience has shown that eliminating all fee-tiering is neither fair nor equitable, especially for specialized services such as camping, reservations, enhanced tours, or group events. The notion behind charging a fee beyond the basic recreation fee is that certain recreation activities require additional attention by agency staff or involve costs that should not be borne by the general public through taxpayer funds or by the rest of the visiting public through the basic recreation fee. The system must balance fairness and equity principles by carefully considering the relationship between who pays and who benefits.

Another important consideration is fee levels. The Department is committed to ensuring access to all visitors. Recreation fees represent a tiny percentage of the out-of-pocket costs that an average family spends on a typical vacation. Recreation fees are reasonable in comparison to those charged for other recreational activities. For example, in Jackson Hole, Wyoming, a family of four pays \$20 for a seven day pass to both Grand Teton National Park and Yellowstone National Park. In contrast, in Jackson Hole, the same family pays \$27.50 for 2-3 hours of entertainment at a movie theatre.

A Permanent Multiagency Program That Ensures that a Majority of Recreation Fees Stay at the Site to Enhance Visitor Facilities and Services

Visitor support of recreation fees is strong when the fees remain at the site for reinvestment into visitor facilities and services. H.R. 3283 would do this by ensuring that not less than eighty percent of the recreation fees collected remain at the site of collection. We believe that this is an essential component of any permanent multiagency recreation fee program. We understand that it is not only important to make these critical investments, but also to ensure that we communicate to the public how recreation fees are spent to enhance the visitor experience. Recreation fees are sometimes spent in ways that may not be apparent, but would be noticed by visitors if the investment did not occur. Recreation fees are spent on such services as maintaining and upgrading toilet facilities, trails, and parking lots. For example, at Moab, Utah, which receives over 1 million visitors annually, it costs BLM \$50,000 per year just to service the toilet facilities.

At the Lake Havasu Field Office in Arizona, BLM has replaced 50 leaking and deteriorating fiberglass outhouses with 36 block wall accessible restrooms. BLM also has installed 700 feet of riverbank block walls, which will help protect the newly constructed restrooms as well as stabilize the campsites' eroding shoreline. Recreation fees contribute to the maintenance and upkeep of these investments and will help ensure that the visiting public will be able to use these facilities for many years in the future.

The Fish and Wildlife Service has used fees to offer some unique opportunities to visitors consistent with the six priority recreation uses outlined in the National Wildlife Refuge System Improvement Act of 1997—hunting, fishing, wildlife photography, wildlife observation, environmental education, and interpretation. At California's Modoc National Wildlife Refuge, the Fish and Wildlife Service used recreation fees to benefit hunters and photographers by replacing an old hay bale blind with a new wooden, more accessible hunting and photo blind, complete with access ramp. At the National Elk Refuge, the Fish and Wildlife Service collects an Elk hunt permit recreation fee of \$1 per hunter at the weekly hunter drawings in October, November, and December. These recreation fees are used to rent a fair pavilion building from the county to conduct refuge hunt orientation and permit drawings at the beginning of each hunting season. Hundreds of hunters attend each year. In addition, the modest recreation fee allows the Fish and Wildlife Service to purchase retrieval carts and sleds for the hunters' use and shooting sticks to encourage ethical hunting.

As public recreation grows in scope and form of recreation, increasingly, all of our land management agencies are meeting these needs. Sites that attract thousands of visitors each day and tens of thousands of visitors each year, must invest in sanitation facilities, parking, campgrounds, shelters, boat ramps, and other infrastructure that helps ensure access, safety, and resource protection so the very feature that attracts the visitor remains available for the future. Many BLM, Forest Service, FWS, and NPS sites share identical or similar characteristics, including significant infrastructure. These sites vary—not by the agency label—but by the particulars of location. Sand Flats, in Moab, Utah, includes BLM lands and a single point of entry into canyon area trails and campgrounds. The Everglades National Park in Florida stretches over 1.5 million acres and has multiple points of access. Recreation fees are charged in some parts of the park and not others, much like the situation on BLM lands in Moab.

These and the many other important enhancements made possible by the recreation fee program are described in our annual Recreational Fee Demonstration Program report to Congress. All of these reports are available on <http://www.doi.gov/nrl/Recfees/RECFEESHOME.html>. The FY2003 annual report is currently in the final stages of review, and we expect to transmit it to Congress shortly.

Collaborative Partnerships with States, Counties, and Gateway Communities

We view counties and gateway communities as potential partners in our effort to provide a quality recreation experience for our mutually-shared visitors. The Department supports the provisions in H.R. 3283 that would provide the Secretary authority to enter into collaborative partnerships with public and private entities for visitor reservation services, fee collection or processing services. This provision would allow us, among other things, to more vigorously seek out opportunities to engage gateway communities through the recreation fee program and is consistent with Secretary Norton's emphasis on cooperation and partnerships to achieve public goals.

It is critical that we recognize the positive impact the presence of recreation sites on nearby federal lands has on counties and gateway communities. According to a study entitled, *Banking on Nature 2002: The Economic Benefits to Local Communities of National Wildlife Refuge Visitation*, the more than 35.5 million visits to the nation's 540 refuges fueled more than \$809 million in sales of recreation equipment, food, lodging, transportation and other expenditures in 2002. The total for sales and tourism-related revenue plus employment income, \$1.12 billion in total is nearly four times the \$320 million that the National Wildlife Refuge System received in FY 2002 for operation and maintenance and over 300 times the \$3.6 million the FWS generated through the Fee Demo Program in that year.

The collaborative partnership approach recognizes that we can work together with gateway communities to promote tourism by providing a quality recreational experience to our shared visitors. One example of the type of partnership that could flourish through a collaborative agreement provision under a permanent recreation fee program is the Sand Flats Agreement entered into in 1994 by BLM and the gateway community of Grand County, Utah, discussed earlier in this testimony. Sand Flats is a 7,000-acre recreational area outside Moab, Utah, that includes BLM and state lands. It is highly popular, particularly with mountain bikers and off-highway vehicle users. In the early 1990s, its popularity increased so much that the BLM was no longer able to manage and patrol the area. Looking for a creative solution, BLM entered into a cooperative agreement with the county under which the county would collect recreation fees and use them to manage and patrol the highly popular recreational area. The county and its citizens have benefitted from a more vigorous tourist trade; the BLM now has a signature recreation area; and visitors can safely enjoy the Sand Flats area. We believe that the Sand Flats Agreement is an excellent model of a mutually beneficial collaborative partnership and that the opportunity to craft these types of agreements exists across the country. Recreation revenues make up over 50 percent of the economy in Moab.

Other possible collaborative partnerships with states and local communities could be developed through the creation of regional multientity passes that would be authorized under H.R. 3283. Providing visitors and residents of nearby communities with a well-structured, appropriately priced, regional multientity pass would allow for benefits that could extend to other federal, state, and private entities. Recognizing that recreation areas and the visitors who enjoy them do not necessarily follow state boundaries, our experience has shown that regional multientity passes offer greater flexibility and can be tailored to meet identified recreational demands. One example of a successful regional pass is the Visit Idaho Playground (VIP) Pass, which covers all entrance and certain day-use fees at a variety of state and federal sites including those under the jurisdiction of the Idaho Department of Parks and

Recreation, the Idaho Department of Commerce, the Bureau of Reclamation, Forest Service, NPS, and BLM.

During FY 2003, BLM, NPS, FWS, and the Forest Service worked cooperatively with the Oregon Parks & Recreation Department, the Washington State Parks & Recreation Commission, and the U.S. Army Corps of Engineers to develop an annual multiagency day-use recreation pass for use in the Pacific Northwest. This annual pass became available this month and will be accepted at many public day-use fee areas in Oregon and Washington. Revenues will be used to operate and maintain key recreation facilities and services. The pass will sell for \$85 and includes the Golden Eagle Passport for \$65 and the Washington and Oregon Recreation Pass Upgrade for \$20.

As mentioned earlier in the testimony, the Department would like to offer several technical amendments to H.R. 3283, and we also understand that the Forest Service will be offering several technical amendments in which we concur. We would appreciate the opportunity to work with the Subcommittee to discuss these issues in detail at a later date.

The Future of the Recreation Fee Program

We have learned a great deal from our experience in administering the Fee Demo program and believe we are ready to translate that experience into a permanent recreation fee program. Delay could result in a lost opportunity to implement a more productive, streamlined recreation fee system, designed to enhance the visitor's experience. Establishing a permanent program does not mean the learning ends here. We support a dynamic recreation fee program that responds to new lessons learned and builds on success stories. We believe a recreation fee program created under H.R. 3283 would create such a dynamic program while providing the Department the certainty to make long-term investments, improve efficiencies, and initiate more partnerships.

Mr. Chairman, we would like to thank you for your interest in this issue and for the opportunity to express the Department's support of H.R. 3283. We also would like to take this opportunity to extend our gratitude to Congressman Regula, for introducing this important piece of legislation and for his critical role in the creation and extension of the Fee Demo program. We would like to extend an invitation to any interested members of the Subcommittee and Committee for a visit to a BLM, FWS, or NPS Fee Demo recreation site.

Mr. PETERSON. Thank you very much.
Mr. Thompson.

STATEMENT OF TOM THOMPSON, DEPUTY CHIEF, NATIONAL FOREST SYSTEM, U.S. FOREST SERVICE, WASHINGTON, D.C.

Mr. THOMPSON. Mr. Chairman and Members of the Subcommittee, I want to thank you for this opportunity to appear before you today to discuss the Department's views on H.R. 3283, the Federal Lands Recreation Enhancement Act.

I am Tom Thompson, here representing the Department of Agriculture and Under Secretary Mark Rey. I have a few comments. I would like to have my full testimony in the record.

Mr. PETERSON. So ordered.

Mr. THOMPSON. The Department supports H.R. 3283 and wants to work with the Subcommittee and the bill sponsors on submissions of technical correction amendments to the bill. While the idea of charging fees for recreation use on National forest has been controversial in some cases, taxpayers generally benefit when the cost of public services are at least partially borne by direct users of these services. Over the years, surveys conducted regarding recreation fees indicate that most people accept modest fees, especially when they know that the fees are returned to the site where they are collected to enhance recreation experience.

An example of some of these surveys is included in a packet which I believe you all have.

In January of 2004, the Forest Service starting implementing the blueprint for Forest Service recreation fees. The blueprint was developed based upon lessons that we have learned since the first years of the program and establishes a consistent National criteria for how the recreation fee program would be implemented. The Forest Service has removed over 400 sites that no longer charge a day use fee under the fee demo. Some examples of these sites are in my full testimony.

The Department supports H.R. 3283, which would establish a permanent recreation fee program for the Forest Service, the National Park Service, the U.S. Fish and Wildlife Service, and the Bureau of Land Management. Specifically, H.R. 3283 provides nine provisions for permanent recreation fee authority. The Department believes an essential aspect of a permanent recreation fee program is that the majority of fees are indeed retained and spent at the site where they are collected to enhance resources, facilities, activities, services, and programs used by the visiting public. In implementing public fee demo wherever possible and appropriate, agencies have coordinated fees with private local, state entities, gateway communities, and each other to minimize overlapping costs and to simplify fees for the visiting public.

Federal lands have provided Americans and visitors from around the world with special places for recreation, education, reflection and solace, and just to make memories. The Forest Service has estimated that over 211 million annual visits occur on National forests. It is a significant increase over the last 30 to 40 years. This increase in visitation means an increase in visitor demand for adequate visitor facilities and services.

Since the inception of the Fee Demo Program in 1996, the Forest Service has shown that it can manage the recreation fee program and provide numerous benefits to the American public. In 2003, the agency generated \$38.8 million, which has made a crucial difference in reducing the maintenance backlog, enhancing facilities, and improving visitor services and operations. In your packet is an example of how fee demo revenues help to maintain very popular OHV trails on the Wayne National Forest in Ohio, the same with Pennsylvania and others.

Whether a person is visiting a day-use site like a trail head or recreating at a developed campground, visitors to public lands expect the same amenities, facilities, and services as those enjoying a National park. As Assistant Secretary Lynn Scarlett stated, examples of where the public does not differentiate between a land management agency, but expects the same amenities and use of the land in similar locations is the example in Nevada, Arizona, and Utah. In all three areas, similar recreation opportunities exist within the various natural settings and opportunities.

Again, the Department supports H.R. 3283, and we have learned a great deal from our experiences in administering the Fee Demo Program over the past 8 years. It is time to make the recreation fee program permanent. The Department is eager to work with the Subcommittee, the sponsors of H.R. 3283, the Department of Interior, and our partners on clarifying amendments.

This concludes my statement. I would be happy to answer any questions that you have.

[The prepared statement of Mr. Thompson follows:]

**Statement of Tom Thompson, Deputy Chief, National Forest System,
Forest Service, U.S. Department of Agriculture**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before you today to discuss the Department's views on H.R. 3283, the Federal Lands Recreation Enhancement Act. The Department supports H.R. 3283 and wants to work with the Subcommittee and the bill sponsors on submissions of technical correction amendments to the bill. Specifically, the Department recommends clarifying that individuals who have a permanent disability are eligible for discount passes; commissions, reimbursements and discounts should be provided for private vendors who sell the Federal Lands Recreational Pass, how volunteers should be used; and the law enforcement provision.

The Recreational Fee Demonstration program (Fee Demo), first authorized by Congress in 1996, has given the Forest Service, National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management a great opportunity to test the notion of user-generated cost recovery, where fees are collected and expended onsite to provide enhanced services and facilities. Current authorization expires on December 31, 2005. The Administration in its FY 2005 Budget requests that the recreation fee demo program become permanent. A permanent recreation fee program, as outlined in H.R. 3283, would allow the Forest Service, along with Department of the Interior agencies, the opportunity to make long-term investments and address maintenance backlogs, continue to build further on successes of the current demo program, improve efficiencies, and initiate more partnerships.

A permanent recreation fee program will enhance recreational facilities, settings, and services for the public to use. While the idea of charging fees for recreational use on the national forests has been controversial in some cases, taxpayers generally benefit when the cost of public services are at least partially borne by the direct users of these services. Since visitors to Federal lands receive some benefits that do not directly accrue to the public at large, charging a modest fee to partially offset the cost of that use is both fair and equitable. This principle underlies permanent fee authority under the Land and Water Conservation Fund Act (LWCF). Over the years, surveys conducted regarding recreation fees indicate that most people accept modest fees, especially when they know that the fees are returned to the site where they are collected to enhance their recreation experience.

Implementation of the Recreational Fee Demonstration Program

Over the past eight years all agencies involved in Fee Demo have experimented with fees and learned many lessons. Fee Demo was designed to allow flexibility in implementation and to be broad enough to allow agencies to experiment with different types of fee programs. The Departments continue to study, evaluate, and improve the fee program within individual agencies, sharing our learning experiences along the way. It has taken time to understand the results of these experiences, but the Forest Service is moving aggressively to address concerns that have arisen. Based upon what we have learned, the agency has adopted many changes in implementing Fee Demo since the first project was established in 1997.

In January 2004, the Forest Service started implementing the Blueprint for Forest Service Recreation Fees (Blueprint). The Blueprint was developed based on lessons learned in the first years of the program and establishes consistent national criteria for how the recreation fee program will be implemented. The goal of the Blueprint is to have a consistent national policy to provide high-quality recreation sites, services, and settings that enhance the visitor's experience and protect natural and cultural resources. By implementing the Blueprint, the Forest Service is addressing public and Congressional concerns to ensure recreation fees are: (1) convenient (making it as easy as possible for visitors to comply with fee requirements); (2) consistent (visitors expect a similar fee for similar activities, facilities, and services; thus a fee program will be established only where certain amenities or services are provided); (3) beneficial (demonstrating the added value the visitor receives in exchange for fees); and (4) accountable (building trust by informing the public of program investments and performance).

Each unit that is participating in Fee Demo has reviewed how its current fee program fits with the Blueprint. Those projects that did not conform to the national criteria have been changed. All new projects will follow the Blueprint criteria. Some changes that have been made include:

- The Enterprise Forests in Southern California (the Angeles, Cleveland, Los Padres and San Bernardino National Forests) that have implemented the Adventure Pass Program have identified four free areas where the pass is not re-

quired, in addition to designating 12 free days for all sites where a fee will not be charged. This approach was implemented in response to public comments to provide areas where a fee will not be charged on the national forests covered by the Adventure Pass;

- The National Forests in Oregon and Washington have identified 385 sites where a pass will not be required on those forests implementing the Northwest Forest Pass program. This change will mean that only 679, instead of 1,064, day-use recreation sites on national forests in the Pacific Northwest will be included in the Northwest Forest Pass; and
- Twenty-one trailheads have been removed from the Sawtooth National Forest Trailhead-Parking Pass Recreation Fee Project. Only 17 of the 38 trailheads in the Sawtooth project met the Blueprint criteria. The Agency will no longer charge fees at the 21 trailheads that do not meet the definition for a significantly developed day-use site.

H.R. 3283—the Federal Lands Recreation Enhancement Act

The Department supports H.R. 3283, which would establish a permanent recreation fee program for the Forest Service, the National Park Service, the United States Fish and Wildlife Service and the Bureau of Land Management, but would like to work with the Subcommittee and bill sponsors on the submission of technical correction amendments to clarify the bill. Specifically, H.R. 3283 provides: (1) establishment of principles for a recreational fee program; (2) promotion of interagency coordination; (3) establishment of an interagency national pass; (4) collaborative agreements with Federal, State, county, or gateway communities; (5) establishment of site-specific agency and regional multi-entity passes; (6) provision for basic and expanded recreation fees; (7) communication with the public regarding use of revenues; (8) provision of additional authorities to implement the program; and (9) provision of criteria for accountability and control of revenues collected.

1. Establishment of Principles for a Recreational Fee Program

Section 2(b) in H.R. 3283 would establish seven principles for implementing a permanent recreation fee program, i.e., that fees should be beneficial to the visiting public, fair and equitable, efficient, collaborative, convenient, accountable, and consistent. These are the same guiding principles established by the Interagency Recreational Fee Council (Fee Council) in 2002. The Fee Council, chaired by Assistant Secretary Lynn Scarlett and Under Secretary Mark Rey, was developed to provide leadership and consistency for the agencies implementing Fee Demo. The Department believes an essential aspect of a permanent recreation fee program is that the majority of fees are retained and spent at the site where they are collected to enhance resources, facilities, activities, services, and programs used by the visiting public. In implementing these guiding principles the agencies, wherever possible or appropriate, have coordinated fees with private, local, and State entities and each other to minimize overlapping costs and simplify fees for the visiting public.

Federal lands have provided Americans and visitors from around the world with special places for recreation, education, reflection and solace. The pattern of recreation on our Federal lands has changed dramatically and has increased significantly. More than ever before, Americans are choosing to recreate on all Federal lands, in particular on National Forests. The Forest Service has estimated that over 211 million annual visits occur on National Forests, a two-fold increase since the 1960s. This increase in visitation means an increase in visitor demand for adequate visitor facilities and services.

Since the inception of Fee Demo in 1996, the Forest Service has shown it can manage a recreational fee program that provides numerous benefits to the American public. Fee Demo has generated over \$161 million to enhance the visitor experience at 105 projects in 123 National Forests and National Grasslands across 36 States and Puerto Rico. In 2003, the Agency's program generated \$38.8 million. The funds from this program have made a crucial difference in providing quality recreation services to the public, reducing the maintenance backlog, enhancing facilities, improving visitor services and operations, strengthening public safety and security, developing new partnerships, educating America's youth, and conserving natural resources. Some examples of these benefits include:

- Maintaining 465 miles of trail on the Deschutes National Forest in Oregon;
- Removing hazardous trees along a 92-mile trail system on the Wayne National Forest in Ohio in 2003 to reduce the danger of fallen trees and hanging limbs across 45,000 acres after a heavy ice storm;
- Installing target walkways, shooting tables, and a sound abatement berm at the Scioto Shooting Range on the Cherokee National Forest in Tennessee;

- Replacing 8 picnic tables, 40 fire rings with grills, and 1 water tank on the Klamath National Forest in California; and
- Upgrading concrete walkways and paths for better accessibility at the Payette River Recreation Complex on the Payette National Forest.

2. *Promotion of Interagency Coordination*

H.R. 3283 would authorize an interagency recreation fee program by allowing the Secretary to establish guidelines for implementing a permanent recreation fee program. Such a program would enhance coordination among agencies and create a seamless, collaborative, efficient, and effective fee program that is well understood by the public. The program would give Federal land management agencies an opportunity to improve the recreational facilities under their management and enhance the experience of the visiting public. Whether a person is visiting a day-use site like a trailhead, or recreating at a developed campground, visitors to public lands expect the same amenities, facilities, and services as those enjoying a national park.

As Assistant Secretary Lynn Scarlett stated, examples of areas where the public does not differentiate between land management agencies, but expects the same amenities and use of the land in similar locations, is the red rocks areas in Nevada, Arizona, and Utah. Visitors to these areas can recreate on lands managed by the Bureau of Land Management (Red Rock Canyon National Conservation Area in Nevada), lands managed by the Forest Service (the Sedona Red Rocks Area in Arizona), and lands managed by the National Park Service (Arches National Park in Utah). In all three areas, similar recreation opportunities exist within the various natural settings and opportunities vary depending on the area selected. Public expectations in most instances, though, for the same amenities and services in each area are the same.

Some examples of interagency efforts to create a seamless, consistent fee program include:

- In April 2003, the Forest Service dramatically broadened the application of the Golden Eagle Passport program to provide interagency application and benefits. This change was based on guidance from the Fee Council, which worked to facilitate coordination and consistency among the agencies on implementation of recreation fee policies. The Council developed standards for a new fee structure to replace the outdated entrance and use fees established under the LWCFA. Using the framework of this new fee structure, the agency started accepting the Golden Eagle, Golden Age, and Golden Access Passports at all Forest Service sites that charge a basic fee. Previously, only 18 Forest Service sites accepted these passports; now over 1500 sites accept them.
- Starting in March 2003, Federal and State agencies in Washington and Oregon are for the first time offering a convenient interagency day-use recreation pass that is accepted at many public day-use fee areas. The Washington and Oregon Recreation Pass is an add-on to the existing Golden Eagle Passport program and will be honored at all National Forest, National Park Service, Bureau of Land Management, and U.S. Fish and Wildlife Service sites, in addition to 26 Oregon State Parks charging a day-use fee, 20 Washington State Parks charging a daily vehicle parking fee, and 6 Army Corps of Engineers sites charging facility use fees.

3. *Establishment of an Interagency National Pass*

Section 8 in H.R. 3283 would create an interagency national pass called America the Beautiful—the National Parks and Federal Recreational Lands Pass. This pass system would consolidate the Golden Passport program established under the LWCFA and the National Parks Passport (established in 2001), into an interagency pass to decrease visitor confusion. Currently the Golden Eagle, Golden Age, and Golden Access Passports are accepted on Forest Service units that charge an entrance or basic use fee. However, the National Parks Pass is not accepted on those units, as this pass is valid only at National Parks, unless the pass has been upgraded with a Golden Eagle hologram. An interagency national pass would provide value to recreational users of Federal lands managed by multiple agencies. This type of pass would provide a convenient, cost-effective alternative to the purchase of multiple-agency passes.

4. *Collaborative Agreements with Federal, State, County, or Gateway Communities*

Section 4 in H.R. 3283 would allow the Secretary to establish agreements with any governmental or nongovernmental entities to provide fee collection and processing services, including visitor reservation services. This section would provide authority for Federal land management agencies to engage in partnerships with State, county, other Federal agencies, gateway communities, or local organizations in implementing a permanent recreational fee program. Partnerships allow the Federal

land management agencies to enlist others to help meet the recreational demand of the visiting public.

The Agency has developed numerous partnerships and agreements over the years to help us to deliver a successful program. Along the South Fork of the Snake River in Idaho, a partnership between Federal, State, and local entities has evolved to cooperatively manage recreation sites spread along a 62-mile stretch of the Snake River. The use of fees collected from boat launching and other activities in the river corridor is determined on a consensus basis by the partnership, regardless of which jurisdiction collects the fee. The partnership includes the Forest Service (Caribou-Targhee National Forest), the Bureau of Land Management, the Idaho Department of Fish and Game, and Madison, Bonneville, and Jefferson Counties. Revenues from the project have been used to provide restroom facilities and litter control along the river.

The Forest Service has established fee management agreements that have helped the agency provide needed safety and emergency services at recreation sites. In Arizona, the Tonto National Forest has an agreement with the Maricopa and Gila County Sheriff's Offices to provide additional law enforcement personnel and emergency medical service teams at recreation lakes on busy weekends and holidays.

5. Establishment of Site-Specific Agency and Regional Multi-Entity Passes

H.R. 3283 would allow agencies to establish site-specific agency or regional multi-entity passes in addition to an interagency national pass. In some cases, regional passes meet the needs of visitors who want to recreate only in a certain area or state. The Washington and Oregon Recreation Pass is a good example of a regional pass that crosses many jurisdictional boundaries. Another example of a regional pass is the Visit Idaho Playground Pass.

The Visit Idaho Playground Pass is an interagency program operated by the Forest Service, Bureau of Land Management, Bureau of Reclamation, National Park Service, and the Idaho Department of Parks. The pass is valid for those who choose to recreate on Federal lands in Idaho. Passes are available for purchase via a website or a toll-free number for visitor convenience. Revenues are shared according to a formula in the business plan, and directed back to the recreation sites for improvements in facilities and services.

6. Provision for Basic and Expanded Recreation Fees

Sections 5 and 6 in H.R. 3283 would allow the Secretary to charge a basic or an expanded fee in certain locations and sites on National Forests. This new system of basic and expanded recreation fees would minimize layering, which has resulted from agencies charging both entrance and use fees at the same site, based on fee practices carried over from the LWCFA. Under the LWCFA, entrance fees can be charged only at certain sites, such as a national park or a national monument. Use fees are charged for use of a site or facility, not entrance into a particular site. The current entrance and use fee structure has created some inconsistency among and within agencies, which has led to visitor confusion and frustration about what constitutes an entrance fee and what constitutes a use fee.

Under the new system identified in H.R. 3283, the basic fee would be charged by all Federal land management agencies in an area that has some expenditure in services and facilities, and an expanded fee would be charged for additional facilities or amenities, such as a developed campground or boating area, for specialized interpretative services, or for a transportation system.

7. Communicating with the Public Regarding Use of Revenues

Section 11 of H.R. 3283 states that the Secretary shall post clear notice of the basic recreation fee and available recreation passes at appropriate locations in each unit or area of a Federal land management agency where a basic recreation fee is charged, and shall post clear notice of locations where work is performed using collected recreation fee or recreation pass revenues. The Department believes that any permanent recreation fee authority should provide for the agencies to be accountable to Congress and the public by reporting where revenues are being expended and identifying what work has been accomplished using collected fees.

8. Provision of Additional Authorities to Implement the Program

H.R. 3283 provides additional authority for the use of volunteers and law enforcement and security with respect to fee collection and establishes guidelines for depositing and distributing fee revenues. On some National Forests, the Agency has implemented Fee Demo utilizing a large cadre of volunteers to sell recreation fee passes, maintain trails, clean facilities, refurbish buildings and archaeological sites, and provide educational programs. Without volunteers in many instances, work would not get accomplished and fee revenues would not be leveraged with partner

funding to complete projects. H.R. 3283 would allow the Secretaries to award a fee waiver, a discount, or an interagency national or regional pass in exchange for significant volunteer services.

An important component of a permanent recreation fee program is enforcement of fee payment and security for receipts, which H.R. 3283 establishes in Section 15 of the bill. For implementation to be fair and equitable, a recreation fee program must ensure that everyone who uses facilities and services for which a fee is charged pays the fee. Security of the revenues collected and the Federal equipment used to collect the fees must be provided in any permanent recreation fee program.

9. Provision of Criteria for Accountability and Control of Revenues Collected

Accountability is one of the guiding principles established by the Fee Council. In accordance with this principle, the Forest Service is collecting good data and reporting annually to Congress on administration of Fee Demo. Fee Demo revenues and expenditures are accounted for separately from appropriated funds, which is consistent with program authority and Federal accounting standards. H.R. 3283 would allow the Secretaries to work with the Secretary of the Treasury to establish separate accounts to track fee revenues and expenditures.

Conclusion

The Department supports H.R. 3283 and we've learned a great deal from our experiences in administering Fee Demo over the past eight years. It is time to make the recreational fee program permanent. The Department is eager to work with the Subcommittee, the sponsors of H.R. 3283, the Department of the Interior, and our partners on clarifying amendments. This concludes my statement. I would be happy to answer any questions you may have.

Mr. PETERSON. Thank you Mr. Thompson.
Mr. Hill.

STATEMENT OF BARRY T. HILL, DIRECTOR, NATIONAL RESOURCES AND ENVIRONMENT, U.S. GENERAL ACCOUNTING OFFICE, WASHINGTON, D.C.

Mr. HILL. Thank you, Mr. Chairman and Members of the Subcommittee. I am pleased to be here today to discuss H.R. 3283, and if I may, I would like to summarize my statement and request that my full statement be included in the record.

Mr. PETERSON. Without objection.

Mr. HILL. H.R. 3283 proposes, among other things, to establish a permanent recreation fee program for certain Federal land management agencies and to standardize certain visitor fees. For many years, the Congress has sought to identify programs that would help Federal land management agencies provide high quality recreation opportunities for visitors while at the same time protecting their resources. Accordingly, in 1996, the Congress authorize the Recreation Fee Demonstration Program.

Under this program, the Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service are authorized to establish, charge, collect, and use fees at a number of sites to, among other things, enhance visitor services, address a backlog of needs for repair and maintenance, and manage and protect resources. Since its inception, the program has generated about a billion dollars in revenues.

GAO has been heavily involved in reviewing the fee demonstration program since its inception. My testimony today focuses on H.R. 3283's potential effect on the various issues that we have raised in our prior work on the Fee Demonstration Program, specifically the extent to which it would affect Federal agencies' deferred maintenance programs, the management and distribution of

the revenue collected, and the interagency coordination on fee collection and use.

Let me start by discussing the effects that your program would have on agencies' deferred maintenance programs. H.R. 3283 would provide a permanent source of revenue for Federal land management agencies to use to help address the backlog in repair and maintenance of Federal facilities and infrastructure. Interior's latest estimates of participating agencies' deferred maintenance backlog ranged from \$5.1 billion to \$8.3 billion with the Park Service accounting for the majority of this backlog. Likewise, the Forest Service estimated its total deferred maintenance backlog to be about \$8 billion. Although our work has shown that neither the Park Service nor the Forest Service has yet to develop systems that will accurately and reliably report information on their deferred maintenance needs or on the overall impact that the Fee Demonstration Program is having on reducing this maintenance backlog, our work has shown that the bulk of the fee demonstration revenue is being used and is having a positive impact at improving visitor services and for operations and maintenance activities.

Now let me briefly touch upon the issue of management and distribution of the revenues being collected. Currently, the Fee Demonstration Program requires Federal land management agencies to spend at least 80 percent of the collected revenues onsite. While this requirement has or will soon help some demonstration sites generate revenues in excess of their high priorities needs, the high priority needs at other sites that have not collected as much fee revenues remains unmet. We reported that agencies needed greater flexibility in transferring revenue to sites that would help the agencies better meet their overall priority needs; however, we noted that agencies needed to carefully balance this flexibility to ensure that sites continue to maintain incentives to collect fees and that visitors continue to support the fee collection program. H.R. 3283 would allow agencies to reduce the percentage of fee revenue used onsite down to 60 percent, thereby allowing greater flexibility to help the agencies achieve this balance.

Finally, let me mention the need for interagency coordination on fee collection and use. We previously reported on the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while at the same time reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent Federal recreation sites. H.R. 3283 allows for improved service to visitors by coordinating Federal agency fee collection activities. First, it standardizes the type of fees Federal land management agencies may use. Second, it creates a single National pass that provides visitors general access to a variety of recreation sites managed by different agencies. And, third, it allows for the regional coordination of fees to access multiple nearby sites.

In summary, the Fee Demonstration Program has been successful in raising a significant amount of revenue for the participating agencies to use for maintaining and improving the quality of visitor services and protecting the resources at Federal recreation sites. Several of the provisions in H.R. 3283 address many of the quality of service issues we have identified through our prior work, and if

the provisions are properly implemented, these services should be improved.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you or other Members may have.

[The prepared statement of Mr. Hill follows:]

**Statement of Barry T. Hill, Director, Natural Resources and Environment,
U.S. General Accounting Office**

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss H.R. 3283, the Federal Lands Recreation Enhancement Act, which proposes, among other things, to establish a permanent recreation fee program for certain federal land management agencies and standardize certain visitor fees. For many years, the Congress has sought to identify programs that would help federal land management agencies provide high-quality recreational opportunities for visitors while at the same time protecting their resources. Accordingly, in 1996, the Congress authorized an experimental initiative, called the Recreational Fee Demonstration Program. Under this program, four land management agencies—the Bureau of Land Management, Fish and Wildlife Service, and National Park Service within the Department of the Interior, and the Forest Service within the U.S. Department of Agriculture—are authorized to establish, charge, collect, and use fees at a number of sites to, among other things, enhance visitor services, address a backlog of needs for repair and maintenance, and manage and protect resources. We have issued a number of reports and testimonies on the program since its inception, identifying issues that need to be addressed to improve the program's effectiveness. (Appendix I lists our related reports and testimonies.)

The Congress is now considering, through H.R. 3283, whether it should make the program permanent. Central to the debate is how effectively the land management agencies use the funds generated from recreation fee collection. My testimony today focuses on H.R. 3283's potential effect on the issues that we raised in our prior work on the Recreational Fee Demonstration Program, specifically the extent to which the Act would affect: (1) federal agencies' deferred maintenance programs; (2) the management and distribution of the revenue collected; and (3) interagency coordination on fee collection and use.

We did not conduct any follow-up audit work in conjunction with this testimony. All of our prior work was conducted in accordance with generally accepted government auditing standards.

Results in Brief

In summary, H.R. 3283 would provide federal land management agencies with a permanent source of funds to help reduce their maintenance backlogs—one of the authorized uses of the revenues collected under the fee demonstration program. According to the Department of the Interior's latest estimates, the combined deferred maintenance backlogs for the participating agencies ranged from \$5.1 billion to \$8.3 billion of which the Park Service accounted for an estimated \$4 to \$7 billion. Likewise, the Forest Service estimated its total deferred maintenance backlog to be about \$8 billion, the bulk of which was needed for forest roads and bridges. However, as we have previously reported, neither the Park Service nor the Forest Service have accurate and reliable information on their deferred maintenance needs and, as a result, they cannot determine how much of the fee demonstration revenues is being spent on deferred maintenance or the fee program's overall impact on reducing their deferred maintenance needs. Some agency officials have hesitated to divert resources to develop a process for tracking deferred maintenance because the fee demonstration program is temporary. H.R. 3283 would provide agencies with a permanent source of funds to better address their maintenance backlog, and by making the program permanent, the Act would provide agencies incentive to develop a system to track their deferred maintenance backlogs.

H.R. 3283 provides the participating agencies greater flexibility in how and where they may apply fee revenues. Currently, the fee demonstration program requires federal land management agencies to retain at least 80 percent of the collected fee revenues for use on-site. While this requirement has helped some demonstration sites generate revenue in excess of their high-priority needs, the high-priority needs at other sites, which do not collect as much in fee revenues, remained unmet. We have suggested that the Congress consider modifying the current 80-percent on-site spending requirement to provide agencies greater flexibility in using fee revenues to better meet their overall priority needs. However, we noted that agencies needed to balance the need for flexibility in transferring revenue against the need of keep-

ing sufficient funds on-site to maintain incentives at fee-collecting units and to maintain visitor support. H.R. 3283 would allow agencies to reduce the percentage of fee revenue retained for use on-site down to 60 percent, if the respective Secretary determined that the revenues collected at the unit or area exceed the reasonable needs of the site. H.R. 3283 would also provide agencies with the flexibility to balance the need to provide incentives at fee-collecting sites and support of visitors against transferring revenues to other sites.

H.R. 3283 contains provisions to improve interagency coordination in the collection and use of recreation fees. Previously, we demonstrated the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while at the same time, reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent federal recreation sites. For example, visitors entering Olympic National Park or the adjacent Olympic National Forest previously paid different fees to hike on the same trail. H.R. 3283 would standardize the types of fees federal land management agencies may use, create a single national pass that provides visitors general access to a variety of recreation sites managed by different agencies, and allow for the regional coordination of fees to access multiple nearby sites.

Background

For the past several years, concerns about the cost of operating and maintaining federal recreation sites within the federal land management agencies have led the Congress to provide a significant new source of funds. This additional source of funding—the Recreational Fee Demonstration Program—was authorized in 1996. The fee demonstration program authorized the Bureau of Land Management, Fish and Wildlife Service, National Park Service, and the Forest Service to experiment with new ways to administer existing fee revenues and to establish new recreation entrance and user fees. The current authorization for the program expires December 31, 2005.

Previously, all sites collecting entrance and user fees deposited the revenue into a special U.S. Treasury account to be used for certain purposes, including resource protection and maintenance activities, and funds in this account only became available through congressional appropriations. The fee demonstration program currently allows agencies to maintain fee revenues in special U.S. Treasury accounts for use without further appropriation: 80 percent of the fees are maintained in an account for use at the site and the remaining 20 percent are maintained in another account for use on an agency-wide basis. As a result, these revenues have yielded substantial benefits for local recreation sites by funding significant on-the-ground improvements.

From the inception of the Recreational Fee Demonstration Program, the four participating agencies have collected over \$1 billion in recreation fees from the public. The Department of the Interior and the Department of Agriculture's most recent budget requests indicate that the agencies expect to collect \$138 million and \$46 million, respectively, from the fee demonstration program in Fiscal Year 2005.

H.R. 3283 Provides a Permanent Source of Revenue That Could Be Used to Address Participating Agencies' Maintenance Backlogs

H.R. 3283, as proposed, would provide a permanent source of revenue for federal land management agencies to use to, among other things, help address the backlog in repair and maintenance of federal facilities and infrastructure. One of the principal uses of the revenues generated under the existing Recreational Fee Demonstration Program is for participating agencies to reduce their respective maintenance backlogs.

The Department of the Interior owns, builds, purchases, and contracts services for such assets as visitor centers, roads, bridges, dams, and reservoirs, many of which are deteriorating and in need of repair or maintenance. We have identified Interior's land management agencies' inability to reduce their maintenance backlogs as a major management challenge.¹ According to the Department of the Interior's latest estimates, the deferred maintenance backlog for its participating agencies ranged from about \$5.1 billion to \$8.3 billion. Table 1 shows the Department's estimate of deferred maintenance for its agencies participating in the Recreational Fee Demonstration Program.

¹ U.S. General Accounting Office, Major Management Challenges and Program Risks: Department of the Interior, GAO-03-104 (Washington, D.C.: January 2003); U.S. General Accounting Office, Major Management Challenges and Program Risks: Department of the Interior, GAO-01-249 (Washington, D.C.: January 2001).

Table 1: Estimated Deferred Maintenance for Participating Interior Agencies, as of February 2002 (dollars in billions)

Bureau	Low estimate	High estimate
National Park Service	\$4.08	\$6.80
Fish and Wildlife Service	0.84	1.14
Bureau of Land Management	0.19	0.33
Bureau of Reclamation ^a	0.03	0.03
Total	\$5.14	\$8.30

Source: Department of the Interior

^aAgency will be allowed to participate in the program under H.R. 3283.

Of the current participating agencies within Interior, the National Park Service has the largest estimated maintenance backlog—ranging from \$4 to nearly \$7 billion. As we have previously reported, the Park Service’s problems with maintaining its facilities have steadily worsened in part because the agency lacks accurate data on the facilities that need to be maintained or on their condition. As a result, the Park Service cannot effectively determine its maintenance needs, the amount of funding needed to address them, or what progress, if any, it has made in closing the maintenance gap. Although the Park Service has used some of the revenues generated from the fee demonstration program to address its high-priority maintenance needs, without accurate and reliable data, it cannot demonstrate the effect of fee demonstration revenues in improving the maintenance of its facilities.

The Park Service has acknowledged the problems associated with not having an accurate and reliable estimate of its maintenance needs and promised to develop an asset management process that, when operable, should provide a systematic method for documenting deferred maintenance needs and tracking progress in reducing the amount of deferred maintenance. Furthermore, the new process should enable the agency to develop: (1) a reliable inventory of its assets; (2) a process for reporting on the condition of each asset; and (3) a system-wide methodology for estimating its deferred maintenance costs. In 2002, we identified some areas that the agency needed to address in order to improve the performance of the process, including the need to develop cost and schedules for completing the implementation of the process, better coordinating the tracking of the process among Park Service headquarters units to avoid duplication of effort within the agency, and better definition of its approach to determine the condition of its assets and how much the assessments will cost.² In our last testimony on this issue before this Subcommittee in September 2003, we stated that the complete implementation of the new process would not occur until Fiscal Year 2006, but that the agency had completed, or nearly completed, a number of substantial and important steps to improve the process.³

The two other Interior agencies participating in the program—the Fish and Wildlife Service and the Bureau of Land Management—also report deferred maintenance backlogs of about \$1 billion and \$330,000, respectively. We do not have any information at this time on the effectiveness of the program in reducing these backlogs.

The Forest Service also has an estimated \$8 billion maintenance backlog most of which is needed to maintain forest roads and bridges. In September 2003, we reported that the Forest Service (like the Park Service) had no effective means for measuring how much of the fee demonstration revenues it had spent on deferred maintenance or the impact that the fee program had had on reducing its deferred maintenance needs.⁴ Although the Forest Service has recognized the significance of its deferred maintenance problem, it does not have a systematic method for compiling the information needed to provide a reliable estimate of its deferred maintenance needs. Furthermore, the agency has not developed a process to track de-

²U.S. General Accounting Office, National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data, GAO-02-568R (Washington, D.C.: Apr. 12, 2002).

³U.S. General Accounting Office, National Park Service: Efforts Underway to Address Its Maintenance Backlog, GAO-03-1177T (Washington, D.C.: Sept. 27, 2003).

⁴U.S. General Accounting Office, Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program, GAO-03-1161T (Washington, D.C.: Sept. 17, 2003).

ferred maintenance expenditures from fee demonstration revenues. As a result, even if the agency knew how much fee revenue it spent on deferred maintenance, it could not determine the extent to which these revenues had reduced its overall deferred maintenance needs. Forest Service officials provided several reasons why the agency had not developed a process to track deferred maintenance expenditures from the demonstration revenues. First, they said that the agency chose to use its fee demonstration revenue to improve and enhance on-site visitor services rather than to develop and implement a system for tracking deferred maintenance spending. Second, the agency was not required to measure the impact of fee revenues on deferred maintenance. Finally, because the fee demonstration program was temporary, agency officials had concerns about developing a process for tracking deferred maintenance, not knowing if the program would subsequently be made permanent.

H.R. 3283 would provide participating agencies with a permanent source of funds to supplement existing appropriations and to better address maintenance backlogs. Furthermore, by making the program permanent, H.R. 3283 could provide participating agencies like the Forest Service with an incentive to develop a system to track their deferred maintenance backlogs.

H.R. 3283 Provides Agencies Additional Flexibility in Distributing Collected Fee Revenues

The existing fee demonstration program requires federal land management agencies to maintain at least 80 percent of the fee revenues for use on-site. In a 1998 report, we suggested that, in order to provide greater opportunities to address high priority needs of the agencies, the Congress consider modifying the current requirement to grant agencies greater flexibility in using fee revenues.⁵ H.R. 3283 provides the agencies with flexibility to reduce the percentage of revenues spent on-site down to 60 percent.

We also reported that the requirement that at least 80 percent of the revenues be maintained for use at the collection site may inadvertently create funding imbalances between sites and that some heavily visited sites may reach a point where they have more revenues than they need for their projects, while other sites would still fall short.⁶ In 1999, we testified that some demonstration sites were generating so much revenue as to raise questions about their long-term ability to spend these revenues on high-priority items.⁷ In contrast, we warned that sites outside the demonstration program, as well as demonstration sites that did not collect as much in fee revenues, may have high-priority needs that remained unmet. As a result, some of the agencies' highest-priority needs might not be addressed. Our testimony indicated that, at many sites in the demonstration program, the increased fee revenues amounted to 20 percent or more of the sites' annual operating budgets, allowing such sites to address past unmet needs in maintenance, resource protection, and visitor services. While these sites could address their needs within a few years, the 80-percent requirement could, over time, preclude the agencies from redistributing fee revenues to meet more pressing needs at other sites. Our November 2001 report confirmed that such imbalances had begun to occur.⁸ Officials from the land management agencies acknowledged that some heavily visited sites with large fee revenues may eventually collect more revenue than they need to address their priorities, while other lower-revenue generating sites may have limited or no fee revenues to meet their needs.

To address this imbalance, we suggested that the Congress consider modifying the current requirement that 80 percent of fee revenue be maintained for use by the sites generating the revenues to allow for greater flexibility in using fee revenues. H.R. 3283 would still generally require agencies to maintain at least 80 percent of fee revenues for use on-site. However, if the Secretary of the Interior determined that the revenues collected at a site exceeded the reasonable needs of the unit for which expenditures may be made for that fiscal year, under H.R. 3283 the Secretary could then reduce the percentage of on-site expenditures to 60 percent and transfer the remainder to meet other priority needs across the agency.

The need for flexibility in transferring revenue must also be balanced against the necessity of keeping sufficient funds on-site to maintain incentives at fee-collecting units and to maintain the support of the visitors. Such a balance is of particular

⁵U.S. General Accounting Office, *Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved*, GAO/RCED-99-7 (Washington, D.C.: Nov. 20, 1998).

⁶U.S. General Accounting Office, *Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services*, GAO-02-10 (Washington, D.C.: Nov. 26, 2001).

⁷U.S. General Accounting Office, *Recreation Fees: Demonstration Program Successful in Raising Revenues but Could Be Improved*, GAO/T-RCED-99-77 (Washington, D.C.: Feb. 4, 1999).

⁸GAO-02-10.

concern to the Forest Service, which has identified that visitors generally support the program so long as the fees are used on-site and they can see improvements to the site where they pay fees. Accordingly, under the existing fee demonstration program, the Forest Service has committed to retaining 90 to 100 percent of the fees on-site. As such, H.R. 3283 would not likely change the Forest Service's use of collected fees. However, it would provide the Forest Service, as well as the other agencies, with the flexibility to balance the need to provide incentives at fee-collecting sites and support of visitors against transferring revenues to other sites.

H.R. 3283 Should Help Reduce Visitor Confusion by Creating a National Pass and Requiring Participating Agencies to Coordinate Fee Collection on a Regional Level

The legislative history of the fee demonstration program places an emphasis on participating agency collaboration to minimize or eliminate confusion for visitors where multiple fees could be charged to visit recreation sites in the same area. Our prior work has pointed to the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while at the same time, reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent federal recreation sites.⁹ For example, sites do not consistently accept agency and interagency passes, resulting in visitor confusion and, in some cases, overlapping or duplicative fees for the same or similar activities. H.R. 3283 would allow for improved service to visitors by coordinating federal agency fee-collection activities. First, the Act would standardize the types of fees that the federal land management agencies use. Second, it would create a single national pass that would provide visitors access to recreation sites managed by different agencies. Third, it would allow for the coordination of fees on a regional level for access to multiple nearby sites.

H.R. 3283 Standardizes Recreation Fees

In November 2001, we reported that agencies had not pursued opportunities to coordinate their fees better among their own sites, with other agencies, or with other nearby, nonfederal recreational sites.¹⁰ As a result, visitors often had to pay fees that were sometimes overlapping, duplicative, or confusing. Limited fee coordination by the four agencies has permitted confusing fee situations to persist. At some sites, an entrance fee may be charged for one activity whereas a user fee may be charged for essentially the same activity at a nearby site. For example, visitors who entered either Olympic National Park or the Olympic National Forest in Washington State for day hiking are engaged in the same recreational activity—obtaining general access to federal lands—but were charged distinct entrance and user fees. For a 1-day hike in Olympic National Park, users paid a \$10 per-vehicle entry fee (good for 1 week), whereas hikers using trailheads in Olympic National Forest were charged a daily user fee of \$5 per vehicle for trailhead parking. Also, holders of the interagency Golden Eagle Passport—a \$65 nationwide pass that provides access to all federal recreation sites that charge entrance fees—could use the pass to enter Olympic National Park, but had to pay the Forest Service's trailhead parking fee because the fee for the pass covers only entrance fees and not a user fees. However, the two agencies now allow holders of the Golden Eagle Passport to use it for trailhead parking at Olympic National Forest.

Similarly, confusing and inconsistent fee situations also occur at similar types of sites within the same agency. For example, visitors to some Park Service national historic sites, such as the San Juan National Historic Site in Puerto Rico, pay a user fee and have access to all amenities at the sites, such as historic buildings. However, other Park Service historic sites, such as the Roosevelt/Vanderbilt Complex in New York State, charge no user fees, but tours of the primary residences require the payment of entrance fees. Visitors in possession of an annual pass that cover entrance fees, such as the National Parks Pass, may be further confused that their annual entrance pass is sufficient for admission to a user fee site, such as the San Juan National Historic Site, but not sufficient to allow them to enter certain buildings on the Roosevelt/Vanderbilt Complex, which charge entrance fees.

H.R. 3283 would streamline the recreational fee program by providing a standard fee structure across federal land management agencies using a 3-tiered fee structure: a basic recreation fee, an expanded recreation fee, and a special recreation permit fee. H.R. 3283 establishes several areas where a basic recreation fee may

⁹ GAO-02-10.

¹⁰ GAO-02-10.

be charged.¹¹ For example, the basic recreation fee offers access to, among other areas, National Park System units, National Conservation Areas, and National Recreation Areas. Expanded recreation fees are charged either in addition to the basic recreation fee or by itself when the visitor uses additional facilities or services, such as a developed campground or an equipment rental. A special recreation permit is charged when the visitor participates in an activity such as a commercial tour, competitive event, or an outfitting or guiding activity.

H.R. 3283 Would Create a National Pass

In November 2001, we reported another example of an interagency issue that needed to be addressed—the inconsistency and confusion surrounding the acceptance and use of the \$65 Golden Eagle Passport.¹² The annual pass provides visitors with unlimited access to federal recreation sites that charge an entrance fee. However, many sites do not charge entrance fees to gain access to a site and instead charge a user fee. For example, Yellowstone National Park, Acadia National Park, and the Eisenhower National Historic Site charge entrance fees. But sites like Wind Cave National Park charge user fees for general access. If user fees are charged in lieu of entrance fees, the Golden Eagle Passport is generally not accepted even though, to the visitor with a Golden Eagle Passport, there is no practical difference.

Further exacerbating the public's confusion over payment of use or entrance fees was the implementation of the Park Service's single-agency National Parks Pass in April 2000. This \$50 pass admits the holder, spouse, children, and parents to all National Park Service sites that charge an entrance fee for a full year. However, the Parks Pass does not admit the cardholder to the Park Service sites that charge a user fee, nor is it accepted for admittance to other sites in the Forest Service and in the Department of the Interior, including the Fish and Wildlife Service sites.

H.R. 3283 would eliminate the current national passes and replace them with one federal lands pass—called the “America the Beautiful—the National Parks and Federal Recreation Lands Pass”—for use at any site of a federal land management agency that charges a basic recreation fee. The Act also calls for the Secretaries of Agriculture and the Interior to jointly establish the National Parks and Federal Recreation Lands Pass and to jointly issue guidelines on the administration of the pass. In addition, it requires that the Secretaries develop guidelines for establishing or changing fees and that these guidelines, among other things, would require federal land management agencies to coordinate with each other to the extent practicable when establishing or changing fees.

H.R. 3283 Would Provide Interagency Coordination on the Regional Level

H.R. 3283 would also provide local site managers the opportunity to coordinate and develop regional passes to reduce visitor confusion over access to adjacent sites managed by different agencies. When authorizing the demonstration program, the Congress called upon the agencies to coordinate multiple or overlapping fees. We reported in 1999 that the agencies were not taking advantage of this flexibility.¹³ For example, the Park Service and the Fish and Wildlife Service manage sites that share a common border on the same island in Maryland and Virginia—Assateague Island National Seashore and Chincoteague National Wildlife Refuge. When the agencies selected the two sites for the demonstration program, they decided to charge separate entrance fees. However, as we reported in 2001, the managers at these sites developed a reciprocal fee arrangement whereby each site accepted the fee paid at the other site to better accommodate the visitors.¹⁴ Resolving situations in which inconsistent and overlapping fees are charged for similar recreation activities would offer visitors a rational and consistent fee program. We stated that further coordination among the agencies participating in the fee demonstration program could reduce the confusion for visitors. We reported that demonstration sites may be reluctant to coordinate on fees partly because the program's incentives are geared towards increasing their revenues. Because joint fee arrangements may potentially reduce revenues to specific sites, there may be a disincentive among

¹¹ The listed areas are National Park System Units, National Conservation Areas, National Recreation Areas, National Monuments, National Volcanic Monuments, National Scenic Areas and areas of substantial investment by a federal land management agency that are managed for recreation purposes or that contain at least one major visitor attraction and have had substantial investments made in their facilities or services in restoring resource degradation in areas of concentrated public use including a visitor or interpretive center, a trailhead facility or a developed parking lot, or in requiring the presence of personnel of a federal land management agency.

¹² GAO-02-10.

¹³ GAO/T-RCED-99-77.

¹⁴ GAO-02-10.

these sites to coordinate. Nonetheless, we believe that the increase in service to the public might be worth a small reduction in revenues.

Accordingly, we recommended that the Secretaries of Agriculture and the Interior direct the heads of the participating agencies to improve their service to visitors by better coordinating their fee collection activities under the Recreational Fee Demonstration Program. In response, in 2002, the Departments of the Interior and Agriculture formed the Interagency Recreational Fee Leadership Council to facilitate coordination and consistency among the agencies on recreation fee policies. We also recommended that the agencies approach such an analysis systematically, first by identifying other federal recreation areas close to each other and then, for each situation, determining whether a coordinated approach, such as a reciprocal fee arrangement, would better serve the visiting public. The agencies implemented this recommendation to a limited extent as evidenced by the reciprocal fee arrangement between Assateague Island National Seashore and Chincoteague National Wildlife Refuge.

H.R. 3283 offers federal agencies the opportunity to develop regional passes to offer access to sites managed by different federal, state and local agencies. As we have reported in the past, for all four agencies to make improvements in interagency communication, coordination, and consistency for the program to become user-friendly, an effective mechanism is needed to ensure that interagency coordination occurs or to resolve interagency issues or disputes when they arise.¹⁵

Conclusions

Essentially, the fee demonstration program raises revenue for the participating sites to use for maintaining and improving the quality of visitor services and protecting the resources at federal recreation sites. The program has been successful in raising a significant amount of revenue. However, the agencies could enhance the quality of visitor services more by providing better overall management of the program. Several of the provisions in H.R. 3283 address many of the quality of service issues we have identified through our prior work and if the provisions are properly implemented these services should improve.

While the fee demonstration program provides funds to increase the quality of the visitor experience and enhance the protection of resources by, among other things, addressing a backlog of needs for repair and maintenance, and to manage and protect resources, the program's short- and long-term success lies in the flexibility it provides agencies to spend revenues and the removal of any undesirable inequities that occur to ensure that the agencies' highest priority needs are met. However, any changes to the program's requirements should be balanced in such a way that fee-collecting sites would continue to have an incentive to collect fees and visitors who pay them will continue to support the program.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

GAO Contacts and Staff Acknowledgments

For further information about this testimony, please contact me at (202) 512-3841. Doreen Feldman, Roy Judy, Jonathan McMurray, Patrick Sigl, Paul Staley, Amy Webbink, and Arvin Wu made key contributions to this statement.

Related GAO Products

The following is a listing of related GAO products on recreation fees, deferred maintenance, and other related issues.

Recreation Fees

1. Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program. GAO-03-1161T. Washington, D.C.: Sept. 17, 2003.
2. Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program. GAO-03-470. Washington, D.C.: April 25, 2003.
3. Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services. GAO-02-10. Washington, D.C.: Nov. 26, 2001.
4. Recreational Fee Demonstration Program Survey. GAO-02-88SP. Washington, D.C.: Nov. 1, 2001.
5. National Park Service: Recreational Fee Demonstration Program Spending Priorities. GAO/RCED-00-37R. Washington, D.C.: Nov. 18, 1999.

¹⁵ GAO-02-10.

6. Recreation Fees: Demonstration Has Increased Revenues, but Impact on Park Service Backlog Is Uncertain. GAO/T-RCED-99-101. Washington, D.C.: March 3, 1999.
7. Recreation Fees: Demonstration Program Successful in Raising Revenues but Could Be Improved. GAO/T-RCED-99-77. Washington, D.C.: Feb. 4, 1999.
8. Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved. GAO/RCED-99-7. Washington, D.C.: Nov. 20, 1998.

Deferred Maintenance

1. National Park Service: Efforts Underway to Address Its Maintenance Backlog. GAO-03-1177T. Washington, D.C.: Sept. 27, 2003.
2. National Park Service: Status of Agency Efforts to Address Its Maintenance Backlog. GAO-03-992T. Washington, D.C.: July 8, 2003.
3. National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data. GAO-02-568R. Washington, D.C.: April 12, 2002.
4. National Park Service: Efforts to Identify and Manage the Maintenance Backlog. GAO/RCED-98-143. Washington, D.C.: May 14, 1998.
5. National Park Service: Maintenance Backlog Issues. GAO/T-RCED-98-61. Washington, D.C.: Feb. 4, 1998.
6. Deferred Maintenance Reporting: Challenges to Implementation. GAO/AIMD-98-42. Washington, D.C.: Jan. 30, 1998.

Other Related Products

1. Major Management Challenges and Program Risks, Department of the Interior. GAO-03-104. Washington, D.C.: Jan. 2003.
2. Major Management Challenges and Program Risks, Department of the Interior. GAO-01-249. Washington, D.C.: Jan. 2001.
3. Park Service: Managing for Results Could Strengthen Accountability. GAO/RCED-97-125. Washington, D.C.: April 10, 1997.

Mr. PETERSON. Thank you very much. I guess I will just share with you I was just sharing with the staff here that in Pennsylvania, years ago, they had a fee program, and it was prior to I being a part of the State Senate, but then I found out when I got there that once they had been given this fee money, they were sort of flat-funded year after year because we had given them all this cash that they could maintain the parks with. In a very short time, they actually had less money to maintain the parks than they had before the fee system, and I hope we don't repeat that here, that it is looked at as here is a new cash cow, we don't need to fund parks anymore, because we all know the backlog is huge and it is about catching up.

Ms. Scarlett, how does the Administration respond to critics of the fee program who call it double taxation?

Ms. SCARLETT. Mr. Chairman, our response to that is that we have, as I noted, many, many public lands that are open and for free. Eighty-nine percent of all Bureau of Land Management sites are accessible at no fee charged; likewise, with the Fish and Wildlife Service, seventy-five percent. Even with the National Parks, forty percent have no fee charged. So there are many, many open areas with free access.

We charge fees at those areas that have that above and beyond extra infrastructure that serves the specific visiting public, for example, a campsite with camp hook-ups and water facilities or toilet facilities, a special dedicated boat ramp for boating access, and that sort of extra above and beyond infrastructure that a particular user might take advantage of.

Mr. PETERSON. OK. Do you have plans to streamline the program?

Ms. SCARLETT. We established a Recreation Fee Leadership Council 2 years ago which included the Forest Service and all of our land management agencies that have recreation fees and have used the Rec Fee Demo Program. As part of that process, we identified some of the challenges or issues that had surfaced over the demonstration period in which we implemented the Rec Fee Program, and among those were to have, for example, clearer and more uniform fees for like purposes across the lands. Likewise, we have proposed and are appreciative of the proposal for a National interagency pass. We have also through better management managed to bring the cost down for managing the Rec Fee Program from above 20 percent to, in the case of Bureau of Land Management and Fish and Wildlife Service, to between 14 and 18 percent, demonstrating, I think, that streamlining of our implementation.

Mr. PETERSON. OK. The next question is for both Ms. Scarlett and Mr. Thompson. One of the biggest criticisms of the Rec Fee Demo Program has been that it nickels and dimes the visitors of public lands. H.R. 3283 would authorize, one, a basic fee; two, an expanded recreation fee; and three, a special recreation fee. While I understand the need to offer flexibility to both agencies and the visitor, is it me or do all of these fees sound more complicated and costly than it needs to be?

Ms. SCARLETT. I guess I will take a stab at it. We really have two different kinds of sites and, hence, an explanation for two of the three fees described in the bill. There are those sites that are very discrete and have a single entry point and then a lot of dispersed extra infrastructure for visitor utilization. One can think of, for example, Assateague and Chincoteague, National Park Service, and Fish and Wildlife Service respectively. You drive in and you have a whole array of facilities that you access. Sand Flats in Moab, Utah, again a single point of entry. You go in, and then inside, there are all kinds of trails, paved areas for recreation vehicle use, and so forth.

Then in addition to those, we have some circumstances where we have, for example, an individual dispersed campsite where we have developed a specific campsite, but on land that is otherwise is freely accessible. So you go onto those public lands freely and accessibly, hiking on trails or enjoying those lands, but if you then take your RV and park at the campsite, you would pay a special amenity fee. So that is the distinction between a basic fee and a special amenity fee.

Mr. PETERSON. Mr. Thompson.

Mr. THOMPSON. I would just add I think there are a lot of provisions that need to be looked at to reduce exactly what you said, and I think we have been working hard over the last few years to learn from the experiences that we have had where a lot of different systems were created, working consistently between agencies—the Assistant Secretary mentioned the Council—trying to identify a way to develop a program that provides consistency, works across agencies, works with partners, is fair, equitable, efficient, tries to provide a system of fees that does make sense and that does recognize the importance of applying a different fee in different situations, but I think the values that are gained by the cross-department, multi-agency fees reduces rather than adds, for sure, to the confu-

sion for the public. It makes it much simpler, and people can understand it and certainly benefit tremendously from the efficiencies that are gained.

Mr. HILL. Mr. Chairman, could I add a quick comment to that?

Mr. PETERSON. You certainly can.

Mr. HILL. In doing our work, we noticed when the demonstration program was getting going there was a lot of confusion out there by the public, by the visitors, in terms of the difference between an entrance fee and a user fee. A lot of the public would buy the Golden Eagle Pass which would give them the entrance into the parks, but in some parks, they were being charged a user fee for what seemed to be basically an entrance into the park.

So there is a lot of confusion. I think the attempt of this bill is to kind of standardize the terminology here between an entrance fee or a user fee or the basic fee or the expanded fee and get all the parks and forests and the units that are participating in this to basically have common definitions and have common charges.

Mr. PETERSON. You think the bill as drafted gets that done?

Mr. HILL. I think the bill sets up a good structure for that. Obviously, the devil is in the details, how it is implemented. I think it is up to the agencies to work together to make sure they have got some good common definitions and criteria and guidance out there to make sure that everybody is on the same song street.

Mr. PETERSON. I think your thoughts are well taken and I think if you can continue to be involved in the process, I think it would be helpful, because I think it is a valid observation.

Mr. Thompson, in your written testimony, you support the proposal under H.R. 3283 of consolidating the Golden Passport Program into a single interagency pass. This concept has raised concern from some senior citizen groups who strongly support the Golden Age Passport. Do you envision any changes for seniors citizen either in cost or benefit if a single interagency pass is established?

Mr. THOMPSON. I think the provisions that have been set forth for both seniors and also of people with disabilities are very clearly an important aspect of the bill, and I think we all support those special provisions in the fee process.

Mr. PETERSON. You think you can get it done without controversy?

Mr. THOMPSON. Well, the devil is in the details, but I believe when you frame a program that is consistent, again, across agencies, allows people the opportunity to better understand what the benefits of the program are, and they see the benefits on the ground, I think there is no doubt in my mind that people truly support it and are willing to pay a nominal fee to help do the maintenance, to help keep the sites clean, and to improve the education opportunities and just the overall benefits of the program. Where it is done right, I think has shown tremendous public support.

Mr. PETERSON. We are going to count on these agencies to keep the devil's horns cutoff so they don't get in the way.

Ranking Member, Mrs. Christensen.

Mrs. CHRISTENSEN. Thank you. Thank you, Mr. Chairman.

I have a couple of questions that probably all of you could answer. If H.R. 3283 is not enacted and the existing Fee Demonstra-

tion Program expires, is it the case that your agencies would have no authority to charge fees, and if that is not the case and you would be able to, could you describe what fee authority you would have?

Ms. SCARLETT. Yes. Thank you, Mrs. Christensen. I will take a stab at that first. There are other fee authorities, of course. Fee authorities for the Park Service date back, I believe, as far as 1908, and for the Bureau of Land Management and the Fish and Wildlife Service date to the Land and Water Conservation Fund. The significant difference is that that fee authority did not allow the agencies to retain the fees onsite. The tremendous advantage of the Rec Fee Demo Program has been that the fees charged go directly and immediately to the site for enhancement of the facilities, and we are concerned, of course, that if we do not get a continuation and a permanent fee authority, that the ability to invest in those sites immediately to respond to rapidly escalating use will not be available to us.

Mrs. CHRISTENSEN. As the fees are included in the bill, there is sort of an entrance fee and then there is a fee for use of facilities. Is it planned that people might have to pay more than one fee in visiting a park, both to get in and then for use of facilities as well?

Ms. SCARLETT. The structure of fees varies depending upon particular sites. For example, it currently is the case at some parks that one might pay an entrance fee, but then there may be circumstances where one is engaged in a very special activity for the user beyond all of the just general facilities that that entrance fee would avail oneself of. So there are circumstances where you might pay for a special activity at the particular location in addition to your entrance fee.

Generally speaking, however, the way most of our locations perform, you have either site-specific entrance fees—and that avails you of all the activities and infrastructure in the location—or you have an amenity fee for a specific campsite. Generally speaking, that is the case. There are some exceptions to that.

Mrs. CHRISTENSEN. There are the different passes, for example, the Golden Eagle. So how would that work if H.R. 3283 was enacted, the passes that allow you go do all to have parks?

Ms. SCARLETT. Well, what the bill proposes is actually an inter-agency pass, a National pass, so that a visitor who buys that would be able to avail themselves of access to any place where an entrance fee is charged, whether it is Fish and Wildlife Service, whether it is National Park Service, whether it is Forest Service or BLM. One of the beauties of that is that we find increasingly people really do not distinguish between locations based on the label, but rather what the amenities are, and so we think the National pass really is a step forward.

Right now, we have a proliferation of passes, Golden Eagle, and this and that and the other thing, and we think that National pass would be a help to the consumer, the customer, the public to be able to better access all places equally.

Mrs. CHRISTENSEN. And you envision that if this was to pass and someone was holding, say, a Golden Eagle pass, that it would be good, it would still be usable?

Ms. SCARLETT. Our concept, of course, in developing the National pass is to have something that would incorporate other passes and make whatever pass you buy uniformly available for access to public sites. I think, again, working out the details and the logistics between the existing passes and a new National pass would need to be developed, but it is the intent that we would have a seamlessness across those passes.

Mrs. CHRISTENSEN. Mr. Thompson, looking at the Demo Program, a lot of people would feel maybe the park system, the National Park Service may be an area where fees would work, but that they generally would not work as well in some of the of the other units under the Department of the Interior, yet the Administration supports expanding it. Do you think that the public, general public, would be as amenable to using the fee services for fees for the other units other than the park system? I think they are kind of used to maybe seeing fees in the Park Service, but not forests and others.

Mr. THOMPSON. The National Forest system is 192 million acres in 42 states and two territories. There is tremendous recreation use, tremendous recreation expectations. We have nearly 200, over 200 million, visits to the National Forests. As I said, that is up tremendously from where it was 30, 40 years ago. I think in 1956, we had about 50 million visitors. So we are nearly four times what we were just 50 years ago.

The Forest Service will be a hundred years old next year. If you look at the next hundred years, use is going to increase as our population increases. The demands for quality recreation experiences on all public lands is going to increase. The demand for facilities, the demand for opportunity to educate the urban population as they come to the forests and parks and refuges is going to increase. We believe that now is the time to learn what we have learned through the demonstration and put permanent authority there so that we can count on and begin to make the investments and continue to develop a program that provides public service at the quality that the American public expects on all public lands seamlessly and consistently so that the public has the same expectation over their public lands, and many of them do not distinguish between a park or a forest or BLM or refuge. They just know when they go there, they want an experience.

So we certainly believe that the public deserves a quality program, a consistent program, a fair program, and one that builds confidence and accountability from the agencies, and if you talk to our people at the field level, as has been mentioned already, they are just so appreciative we had this opportunity in the fee program, but they would be so disappointed, and I think the public would, should we use that authority.

Mrs. CHRISTENSEN. Thank you.

Ms. SCARLETT. Mrs. Christensen, may I adjust quickly for the Bureau of Land Management and the Fish and Wildlife Service within the Department of the Interior? As I briefly noted in my testimony, we have seen a 65 percent increase in recreation on BLM lands and 80 percent fish and wildlife. If you go to a single place like Moab, Utah, which is right next to Arches National Park, Arches National park gets about 800,000 visitors a year. Moab gets

about 1.8 million visitors a year. It has over 400 campsites. The park has about less than a hundred.

So from a public standpoint, despite the label, these are both recreation destinies, and we are trying to provide them the same kinds of services in both locations that they anticipate.

Mr. RADANOVICH. [Presiding] Thank you, Donna.

Mr. Souder.

Mr. SOUDER. I have a couple requests, and in 5 minutes, I can't possibly get these answered. So let me give you some things that I would like the answers submitted, because I want to make a couple of things on the record.

From the Department of the Interior, we have a chart here that shows the non-demo receipts in 1994 to 1997 being roughly 75 to 77 million and then dropping dramatically when the Fee Demo Program went in, and I would like some explanation, because that is about two-thirds of the variable. I would like kind of a written response as to which fees went down when the fee demo went in.

Also, it looks to me that my earlier concern is, in fact, happening. In the last 2 years of reporting, we have had a 50 percent increase in National Park passes with a corresponding decline in fee demo receipts, and if we don't address this disparity, we are going to have a long-term problem, and I would like to see if you have any additional data on where that correlation is. In fact, are more people presumably then buying these at locations? How is that impacting, then, on the parks?

From Mr. Hill, in your written statement, you have a couple times repeated the prospect that some parks might receive more in demo fees than they could use and therefore suggested that maybe the 80-20 rule shouldn't be followed. I believe the whole integrity of the fee demo rests on the money staying in that park, and I wonder if you could submit a list of parks that you think may get more demo money than they could possibly use, or forest or wherever it is, but I presumed that it was mostly parks, but where that would be, because then maybe they have the fee too high.

That would be the possible question there. I am not sure that the general public would support the concept of moving the fee around away from their park.

I also wanted to put on the record while I agree that there needs to be some standardization, standardization is difficult when you have multiple entrances to a place. So you may have to, in fact, charge a fee by buildings in some parks because you can't have multiple—you spend so much in collection and confusion, and also Mount Rushmore, you mentioned Wind Cave, but right near there in Mount Rushmore, they couldn't build their parking lot if they didn't have a special fee for that parking lot in order to fund a parking lot with the capital expenses required, and that is confusing. That is one of the places where people complained about having their pass and then they can't exercise it at the parking lot. But that is not really fixable in the planning.

So there is going to be some exceptions, but I agree with your basic thrust that we need to minimize the exceptions.

I found this fascinating discussion on Parks, Fish and Wildlife, Forest and BLM, and I am kind of an old-fashioned guy trying to work my way through this, because I view Parks and Fish and

Wildlife as different than Forest and BLM. Parks were set aside for the appreciation of the public, but also for preservation of the resources. Fish and Wildlife were set aside for fish and wild life areas for them where the public would have the appreciation of them as long as they didn't disrupt the flow of the fish and wildlife.

BLM and Forest Service have different missions. There are renewable resources in the forest, and it is supposed to be literally for cutting down trees. I know that is not popular to say, but that is what it was supposed to be. The Bureau of Lands and Mines, as it used to be called, was supposed to be the places in the United States where we could mine. Now, as we have wilderness areas in the Forest Service and BLM, as we have increasingly pushed recreation away from the parks and into the forests that are adjacent to the parks, I agree completely that there a confusion coming in, Moab being the classic example with the camping sites. You also have that going in and out of Sequoia and Kings Canyon. There are multiple, Olympic where the Lake Quinault Lodge is actually in the forest and people are going through and saying why are these trees cut down. They think they are in Olympic National Park.

But I am not sure that a fee demo as opposed to recreational use fees don't work better in Forest and BLM, and I would be interested in your comment on that, why Forest Service, if it is going to be recreational, why that isn't the focus there rather than having a set fee and then we try to address in the broader pass how to put those things together.

Mr. THOMPSON. Well, for most of the National Forest system, I think 75 percent of the National Forest system, to start with is free. There would be no fee at all for the facilities. When you look at the diversity that exists across those lands from the Oregon Dunes National Recreation Area to scenic trails, all the different situations that exist out there, there is just tremendous needs, as has been described. There is not the entrance fee. That is not what we do, but there are sites and improvements that need to be maintained and kept in good condition.

So in that regard, the user fee is what we are talking about here for providing for that use. I mean, that to me, there is no difference in the user fee concept here.

Mr. RADANOVICH. If you could wrap it up, Mark.

Mr. SOUDER. Some of the differences is in a park, and I know that part of my frustration is that to the degree a Mount St. Helens or an area becomes wilderness and is no longer going to be used for timber harvesting, in my opinion, that is becoming some kind of category other than a National forest, and that is partly what our confusion here is.

Mr. THOMPSON. OK.

Mr. RADANOVICH. Mark, if you want to do another round of questioning when we are done here too, I am very happy to do that.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

My first question a point of clarification. Was this Recreational Fee Demonstration Program for the Island of Guam put out by Park Services? Who provided these statistics?

Ms. SCARLETT. The chart that you have, I believe was put together by Department of the Interior, and it is a compilation by location by state and by territory.

Ms. BORDALLO. Yes. I just wanted a point of clarification.

Ms. SCARLETT. Yes.

Ms. BORDALLO. First of all, I thank the Department of the Interior. Any time we can be highlighted in the big country of ours, you know, the small Island of Guam, I appreciate it very much. But on the bottom, it says a list of recreation fee demonstration sites in North Dakota. Is this a typo?

Ms. SCARLETT. That must be a typo. My apologies to you. We will get that fixed.

Ms. BORDALLO. Well, thank you very much, because I just didn't want anyone in the room here to think that Guam was located in North Dakota.

[Laughter.]

Ms. SCARLETT. My apologies. That must certainly be a typo.

Ms. BORDALLO. Thank you.

Ms. SCARLETT. Our staff works very hard, but they put a lot together quite quickly. Thank you.

Ms. BORDALLO. I understand.

Now my serious question: I recognize the many pros and cons to permanently authorizing the program, but I will say at this point that I give more support to the program, and I note that on Guam, our National Park, the War in the Pacific National Historical Park, has benefited from the Park Service's participation in the demonstration program, and some of the 20 percent for agency-wide discretion has gone to upgrading facilities in the park on Guam. I also want to note another unique element of our situation in Guam. Our park attracts a high percentage of foreign visitors, Japanese tourists—we are only three to 4 hours from Japan—over 1.5 million foreign visitor a year, and thus a lot of the revenue from the program that would likely be generated from the park in Guam would be from patrons other than U.S. taxpayers.

So the concern about double taxation for us is not particularly strong.

But a couple of questions: Can you tell us looking at the demo fees in the past—and I think you did talk on this in a couple other instances. Are there any statistics in general that speak to the impact on access and use where they may have been implemented? Has it affected a particular unit's average visitation? Has it been found to slow down the rate of use or, say, use by the local community? Can you share with us some of the negatives, any of the negatives that have been discovered from the imposition of a fee under this program?

Ms. SCARLETT. Yes. Let me first address the issue of fees and their impact on visitation. We have done a lot of research to review that and have found no real discernible impact and, in fact, require ironically or perhaps surprisingly, the locations in the Bureau of Land Management that are now charging recreation fees are actually seeing substantial increases in visitation in part because with those fees, we are able to provide infrastructure that actually attracts people to those locations.

So, no, generally speaking, the fees have not in any way adversely affected visitation. The ebbs and flows of visitation which have mostly been up are more affected by things like economic turn-downs, for example, a little blip after 9-11, as one might expect and has occurred with other tourist activity.

In terms of the challenges, I think as we initially implemented the Fee Demo Program, and this was new in particular for non-Park Service sites, some of the challenges were that we sometimes charged fees where there was not significant infrastructure. The public, therefore, wondered why am I being charged a fee where I used to just walk, and so we have substantially rectified that problem.

A second perhaps challenge is that often we have not been good at explaining to folks that their fees go directly onsite. So we have begun to address that by actually putting signage up that says your fees goes to support this campsite and so forth. When we do that, we find that support, whether it is BLM, Fish and Wildlife Service, or the Park Service, and indeed the Forest Service is 85 to 90 percent or more for the fee program and the benefits it provides.

Ms. BORDALLO. Thank you very much. In essence, then, there haven't been any real strong negative points?

Ms. SCARLETT. Well, I think that would be probably misleading to say there have been—certainly there have been some folks in the public early on in the demo program when we were applying fees to areas with no infrastructure that were strongly concerned. We believe we have addressed those problems largely and certainly will continue to keep our fingers on our pulse to address public concerns.

Ms. BORDALLO. The other quick question, Mr. Chairman, is I noticed that there is a waiver or discount of fees for I think senior citizens and persons with disabilities. Do you suppose that we could amend that and include the veterans? Would there be any objection to that?

Mr. THOMPSON. Certainly I think the discussion is open. Certainly there are a lot of opportunities to take notice, and we will be willing to work with the Committee.

Ms. BORDALLO. Well, Mr. Chairman, I would like to put that on the table in the future, to add the veterans. Thank you very much.

Mr. RADANOVICH. Thank you, Ms. Bordallo.

Mr. Udall.

Mr. MARK UDALL. Thank you, Mr. Chairman. I want to thank the witnesses for taking their time out of their day to come up here to the Hill and share their points of view with us.

If I could, I would like to just direct the question to all three of you. All three of you may not need to answer, but your statements indicate the Administration supports Chairman Regula's bill; however, the President's budget says the Administration will submit its own legislative proposal. Can we expect to receive, this Committee expect to receive, an administrative proposal, and if so, when would you anticipate it being delivered up here to the Hill?

Mr. THOMPSON. I might take this opportunity. The Under Secretary of Agriculture is here, and if there is an opportunity here that he could join in this discussion, I would certainly provide that.

Mr. MARK UDALL. I have no objection.

Ms. SCARLETT. Let me take a stab at it. I think at this point, with Mr. Regula's bill having been put forth, and on the Senate side, of course, Mr. Thomas has a National Parks Service fee provision, we are very much looking forward to working with Congress as they have developed some ideas, many of which are very, very much like what our Recreation Fee Leadership Council has outlined. So at this point, I think we are looking forward to continuing to work with Congress and the legislative provisions that are on the table at this point.

Mark, did you want to add to that?

Mr. REY. I think that is right. Congressman Regula's bill is—

Mr. RADANOVICH. Mark, would you identify yourself for the record?

Mr. REY. I am sorry. I am Mark Rey, the Under Secretary of Agriculture. I was at a conflicting hearing over on the Senate side. I will endeavor not to contradict anything that has been said so far, and I have instructed staff to poke me in the back if I do, and I will start into a coughing fit.

But that having been said, the language in Congressman Regula's bill is very comparable to what we were working on anyway, and I think it would delay the process for the Committee to wait for the Administration. We are happy to work off of Congressman Regula's bill and the ideas that you all have been discussing here today.

Mr. MARK UDALL. OK. Thank you for that clarification.

Mr. Hill, if I could direct this question to you, there is a later witness, Mr. Funkhouser, and I am going to have to leave before he gets to testify, but in his testimony, prepared testimony, he cites a GAO report as saying that the Forest Service has not adequately accounted for the costs of collecting fees. Is he accurate about your findings in that respect, and if so, how would the bill improve that aspect of fee management? I also spoke to this a little bit earlier when Chairman Regula was here.

Mr. HILL. I think that is an accurate statement. As the fee demo was unfolding, one of the things we did look at was how the various agencies were accounting for the moneys, the fees they were collecting, and then for the use of those fees in terms of what was the expenditures.

The Forest Service was new to the fee collection process, as you may be well aware. Some of the parks had been charging fees prior to fee demo, but the Forest Service and some of these other agencies, it was a new endeavor for them to kind of start collecting fees.

So there was some growing pains early on there, and furthermore, they were making a concerted effort to use those fees to pay for improving visitor services and for working on the maintenance projects as opposed to setting up systems to account for the maintenance backlog or how those fees were being used. At the time we were doing the work when we questioned that to the Forest Service, one of the reasons they gave us for not establishing those systems to track collections and expenditures to the extent perhaps they could have was that it was fee demo program. It was not a permanent program. They did not want to invest the money in setting up systems for something that may not become permanent.

They would rather use those expenditures on the items that sorely needed the work, basically the visitor services and the maintenance problems.

So I think by making the program permanent, there would be some certainty not only in the revenues that would be generated in this program, but in also setting up systems that would account and track for the expenditures as well.

Mr. MARK UDALL. I appreciate that clarification, and I understand that rationale, that it was an experimental program, but I would tell you that some of the people I talked to on the ground don't factor that into their opinions and their perspectives they generate. I mentioned earlier, and I am going to pursue this, that there is one site in my district where a local for-profit marina operator was actually collecting the checks and the cash out of the collection box sometimes a month or 6 weeks after it had begun to fill again, and they were just astounded that the local land agency didn't have enough interest to come and at least collect the money. And so I think we have to remedy that if, in fact, we are going proceed with this more expanded fee demo program.

I looked in my sheet for the particular project. I couldn't find it. I would note, though, that they didn't include Guam in Colorado or Colorado in Guam, but I know that I would like to pursue this and at least let the BLM or the Forest Service know potentially, and it might even be a Bureau Rec Program, but I think that this is the kind of example that we want to try to avoid in the future if we are going to reauthorize or more broadly authorize the Fee Demo Program.

Mr. HILL. Most definitely. Here again, very early in the program for some of these agencies that were not used to collecting these fees, we did find instances where they were literally storing the money onsite in a room. A lot of these units are out in the middle of nowhere, and they are not real ready accessible to banks where they can make these deposits. So, I mean, there were some really early growing pains that they all went through, and I think hopefully they have resolved a lot of them, and if the program were to become permanent, that is something we would have to keep an eye on.

Mr. MARK UDALL. Yes. Well, I thank the Chairman. I am trying to keep him from getting anymore gray hairs as we all run over the time limit here, but again, thanks to the panel. Thanks to the land agencies that are here, and I look forward to working further with you on this important question.

Mr. RADANOVICH. Thanks, Mark.

Mr. Souder, did you have any more questions?

Mr. SOUDER. Yes, if I could. I wanted to take another stab at trying to understand the Forest-BLM situation a little bit.

Are there any fees charged in a National Forest where there is timber cutting?

Mr. REY. Yes, recreation fees in a National Forest where there also happens to be timber cutting. There is no relation between the two.

Mr. SOUDER. And, Ms. Scarlett, let me ask you are there any fees collected in an area that mining occurs in the BLM?

Ms. SCARLETT. The BLM often manages, individual field managers often manage, tracts of land that might be a million and a half acres, even more. So, for example, if you take the Moab, Utah situation that I described, there is a small area within that Moab tract where they have the developed campsites and where they charge fees. Elsewhere on tracts of land managed by that field unit, there is other activity which would include in some instances mining or oil and gas development, but they are not the same piece of land within the overall area.

Mr. SOUDER. This is one of the things that has been bothering me just as I move about, because I think that this kind of confusion is going to develop a backlash and is continuing to develop a backlash against the timber cutting, against the ability to mine or develop anywhere, because as people think of these as predominantly recreational or wilderness-type units and pay a fee for that, they are not going to understand because they thought that the timber cutting and the leasing was supposed to be paying, for example, in a forest, that the forest was there as it was growing and people were going to cut down some of the trees, that they could camp whenever they wanted, that they could fish whenever they wanted, and they weren't paying a fee, and that the mission as it changes, some sort of separation of BLM land and of National Forest land in saying this is a zone that is going to be an entry place where there is a park and we are going to push more of the recreation there as we restrict camping spots, for example, restrict certain kind of vehicles potentially from coming in, if snowmobiles can't go into a park and they only be the areas around it.

That is a different function and you are walking down a path with these fees that ultimately I am afraid as an area that also depends on natural resources as well as wood that this is helping fuel a confusion in the general public.

Ms. SCARLETT. Let me just add to my previous comments. The Bureau of Land Management, of course, is a multiple use agency and that includes oil and gas development, some forestry foraging. It also includes recreation in the portfolio of multiple use activities that it is respond responsible for.

BLM goes through a land use planning process, and in that planning process, they designate areas that are suitable for oil and gas development. Obviously, the place has to have oil and gas as a starting point. There are some areas and, again, without totally relying on Moab, where there are really no mineral resources in the particular area. In that particular case, there are no forests either. It is pinnacles and a river and very suited for recreation activities. Through the land use planning process, they actually have a special recreation designation that there is very clear public comment upon that, and so I believe that those distinctions that you set forth, in fact, are occurring through that land use planning process.

Mr. SOUDER. I personally think we need a different type of—while you are managing it inside, for example—this is a big debate in this Committee in Utah over whether we do the Red Rocks and develop it in Utah, whether it is going to be basically one huge park or government-controlled area south or how we do this, and with mixed missions in your agencies as opposed to setting up a sub-recreation agency and maybe meshing certain of the forest

lands and BLM lands that aren't being used in other ways, I think we are walking down a path that has been inevitably restricting our ability in understanding of the general public, because I know what those maps are, but I know when you drive into the area, you really have little clue. You see BLM and you have a BLM fee, or you go into Olympic National Forest and see all these trees cut down. If you paid a fee, you are going to have a different attitude about whether they cut down those trees.

I am just telling you that is a fact, and we have to figure out how we are going to deal with that.

Mr. REY. Congressman, I think the concern has some merit to it. It is clear that as our Federal lands have become more popular for recreation use and as recreation use has increased, notwithstanding the fee system, but just as a matter of fact as people have become more and more interested in outdoor recreation, we have seen some increased conflict between recreation use and other uses; but in many cases where we have had the opportunity to enhance visitor awareness of the other uses of the land through investments made by the Recreation Fee Demonstration Program, to interpret the importance of those other uses for the recreating public, we have been able to diminish that amount of conflict.

So there really are two sides to this equation, and there are places where recreation fee demonstration money, and for that matter appropriated dollars as well, have gone into interpreting for the recreating public what else is going on on BLM or Forest Service lands and why it is important for them to understand the necessity of those other uses to meet their daily needs.

Mr. SOUDER. Thank you.

Mr. RADANOVICH. Thank you very much, Mark.

I do want to get one more question out of the way before we dismiss this second panel.

Ms. Scarlett, I did want to get one thing down on the record regarding Imperial Sand Dunes Recreation Area. In the next page, Roy Denner, who serves as BLM's technical review team for the Imperial Sand Dunes Recreation Area will tell us how BLM this year funded a million dollar species monitoring study exclusively with rec fee demo money. As part of the study, the BLM purchased a \$60,000 high-performance sand car, whatever that is, as opposed to considering other temporary methods of transportation.

Do you consider that the purchase of this sand car an appropriate use of rec fees?

Ms. SCARLETT. Mr. Chairman, I am not familiar with the specifics of the purchase of the sand car, but let me speak more largely to Imperial Sand Dunes and the issue that has been raised there. This is a rather unique situation. There was a lawsuit, an endangered species lawsuit. As part of the settlement to that lawsuit, some 49,000 acres of previously recreated lands were withdrawn from recreation use. In order to get some of those lands back into recreation use, the Bureau of Land Management moved forward with an adaptive management plan, that is a plan that would use the biological opinion of the Fish and Wildlife Service, monitor the lands, and then allow the recreation to occur alongside with the resource protection.

There was a time issue there because the monitoring to get the baseline information needed to take place in spring. They did use, therefore, the recreation fee moneys. That is an authorized use. I will say, however, that the Bureau of Land Management has proposed, and the President in our 2005 budget, a \$4 million increase in appropriated funds for monitoring, and certainly we would like to work with the Congress on ensuring that we have those appropriated dollars for monitoring going forward.

Mr. RADANOVICH. Very good. Were the rec fees for that particular BLM land, were they increased for this study or do you recall were they the same?

Ms. SCARLETT. No, they were not increased for that study. There is a technical review team that reviews the implementation of fees in Imperial Sand Dunes. The technical review team had looked at the previously existing fees and actually had made proposals for some fairly substantial increases entirely unrelated to this monitoring issue. In fact, in the end, BLM did move forward with an increase in the fee, again unrelated to the monitoring, and, in fact, quite a bit lower than the technical review team proposed. That team, I will say is made up of local recreators and other stakeholders in the process.

Mr. RADANOVICH. It was my understanding that the fee was increased threefold. So maybe if you will double-check your information, recheck it for me, I would sure appreciate it.

Ms. SCARLETT. If I could just clarify, I think what I meant to articulate there is they did go through a fee process, and it had not been raised in quite a long time. They raised the fee, but it was not related to that monitoring issue. It was a separate process that was ongoing.

Mr. RADANOVICH. Can you also get back to me with a good description of what a sand car is?

Ms. SCARLETT. I would like to find out myself.

Mr. RADANOVICH. I am thinking a dune buggy here or something.

Ms. SCARLETT. I will do that.

Mr. RADANOVICH. All right. Thank you very much.

I would like to thank the panel for being here today. Your testimony is finished, and again, thank you very much. We will move on to our third panel.

Mr. RADANOVICH. Panel number three consists of Mr. Aubrey King, who is head of the Gateway Alliance here in Washington, D.C.; Ms. Christine Jourdain, Executive Director of American Council of Snowmobile Associations, the American Recreation Coalition; Mr. Roy Denner, President and CEO of the Off-Road Business Association from Santee, California; Mr. David L. Brown, Executive Director of the America Outdoors, Knoxville Tennessee; and Mr. Robert Funkhouser, President of the Western Slope No-Fee Coalition from Dorset, Vermont.

Ladies and gentlemen, welcome to the Committee. If you could, I would ask you to keep your testimony to the 5-minute rule. As you will notice, 5 minutes are up when the red light shines, and we will hear testimony from everybody and then after that open it up for questions from the panel.

I would like to welcome Mr. Aubrey King to the Subcommittee. Aubrey, good to see you and thank you for being here, and if you

would like to begin, I would sure appreciate it. You might want to turn your mike on down there and kind of bring it in to you a little bit if you don't mind. Thank you.

STATEMENT OF AUBREY KING, PRESIDENT, NATIONAL ALLIANCE OF GATEWAY COMMUNITIES, WASHINGTON, D.C.

Mr. KING. Mr. Chairman, thank you very much for the opportunity to testify today on behalf of the National Alliance of Gateway Communities. We have submitted longer comments which we request to be added to the record.

As you know, our organization represents the interest of those communities that serve as gateways for millions of domestic and international visitors to our magnificent National parks, forests, and other Federal public lands. We commend you for holding this hearing on H.R. 3283 and the future of the Recreation Fee Demonstration Program. We commend Chairman Regula for introducing H.R. 3283, and we certainly agree that it provides a good solid start for this reconsideration of fee demo.

After being created and sustained by the Appropriations Committee since 1996, it is now time for authorizing committees to take over and determine the future of the Fee Demo Program. NAGC supports making the Fee Demo Program permanent or extending it on a long-term basis, perhaps for 6 years or more. H.R. 3283 would accomplish that goal and accomplish important fee demo reforms, but we believe further changes are necessary.

Fee demo generates approximately a \$180 million annually for the four agencies involved, and, very significantly, 80 percent or more of this revenue must be spent at the site or area where it is collected. This has enabled the agencies to invest in badly needed local infrastructure maintenance that has made those lands safer, more convenient, more attractive, and more useable for both visitors and for gateway citizens.

Gateways, obviously, have a vital interest in visitors to the Federal lands, enjoying a positive pleasurable experience on those lands. Gateways understand the value of fee demo as shown in a January 2004 NAGC member survey when 76 percent of the respondents expressed support or strong support for fee demo. At the same time, gateways are perhaps more familiar than anyone with the difficulties the agency have encountered as they have implemented fee demo. In our longer written submission, we cite what seems to have been many of the major implementation problems as well as some of the philosophical objections to the program.

Some agencies have done better than others, but clearly there have been problems from the layering of fees to inconsistencies and poor interagency and intergovernmental coordination. Concessioners and permittees have suffered from fee increases levied on both them and their customers without sufficient notice or input. Gateway businesses have been damaged when fee demo revenue has been used to develop, expand, or modernize unnecessary recreation facilities that compete unfairly with existing nearby businesses. To their credit, the fee demo agencies have recognized many of these problems and have taken encouraging steps to correct most of them.

H.R. 3283 will bring about important permanent fee demo reforms, especially by encouraging greater interagency and internal governmental coordination, although we do recommend that the agencies be directed to make such coordination a top priority instead of simply encouraged and by more specifically delineating which fees can be charged at which locations and for what activities. We believe it is absolutely essential, as H.R. 3283 would do, to keep 80 percent of the revenue collected at the local level.

We strongly agree, also, with the bill's allowing gateway communities to play a role in collecting fees. We especially endorse allowing five different Federal land agencies to implement fee demo and would support, in fact, adding the Corps of Engineers as the sixth fee demo concern.

We oppose limiting fee demo to only one or two agencies because this would further aggravate the problems of inconsistency and lack of coordination. It would not address implementation problems in all of the agencies, and it would create more of a budget gap between have and have not land agencies.

Before we can give our full support to H.R. 3283, however, we believe further reforms are necessary, and we detailed these in our written comments. These include providing clear and explicit authority for the agencies to collect fees for each other. H.R. 3283 suggests that and heads in that direction, but we think more explicit authority should be provided. State and local tourism offices should be utilized to identify areas with special tourism and recreational appeal. There should be an authority to utilize differential fee pricing to respond to seasonal demand. We recommend utilization of a portion of fee demo revenue or public information, education, and communication programs with the better known Federal land.

We suggest development of local advisory process involving state tourism offices, gateway communities, as well as concessioners and outfitters to help design and plan fee structures. We recommend establishment of a National recreation fee advisory board to set broader principles and guidelines for the country as a whole. We recommend that somewhere in this legislation or perhaps in the report language that there be an assurance that Federal land budgets will not be cut or have their growth rates reduced to offset fee revenues.

In concluding, let me make clear, Mr. Chairman, while no one likes to pay fees, the Recreation Fee Program is essential for the fiscal future of the Federal lands. It cannot be the only answer, and we suggest a more comprehensive review of all the Federal land fiscal outlooks here, and we very much doubt that in these times of heavy demands on the Federal Treasury, Congress would be likely to replace \$180 million in fee demo if we allow it to go away. The obligation of all of us must be to ensure that the future fee program is as fair and reasonable as possible.

Thank you.

[The prepared statement of Mr. King follows:]

**Statement of Aubrey C. King, President,
National Alliance of Gateway Communities**

Mr. Chairman, it is an honor and pleasure for me to present these comments to you this afternoon on behalf of the National Alliance of Gateway Communities

(NAGC) regarding the recreation fee demonstration program ("fee demo"). I am Aubrey King and I am President of the NAGC.

We are here today to testify with regard to H.R. 3283 and to express our appreciation to Chairman Regula for introducing it. The innovative fee demo program was, of course, originally the creation of Chairman Regula and we commend him and others in Congress who have supported the program over the years. We have some reservations about H.R. 3283, however, and we want to recommend several amendments, which we believe will make the recreation fee program as proposed in this legislation stronger and more effective.

Mr. Chairman, it is also appropriate at this time to commend you and this subcommittee, as well as other authorizing committees and subcommittees in both Houses of Congress, for reviewing the fee demo program as part of your authorization responsibilities. Since its inception, fee demo has been sustained solely through the Congressional appropriations process. The appropriations committees have made a significant contribution to the vitality of our Federal lands through establishing and extending the innovative fee demo program. But, as the appropriators themselves recognize, it is now time for the authorizers to decide the future of fee demo.

The National Alliance of Gateway Communities Interest in Fee Demo

The NAGC is the national trade association that represents the interests of those communities that serve as gateways for millions of domestic and international visitors to our magnificent national parks, forests and other Federal public lands.

The expenditures of these visitors support the economic base for hundreds of gateway communities and serve as the mainstay for economic growth. Not only are the Federal lands a critical tourism draw for gateway communities, their accessibility also contributes very substantially to the quality of life for residents who can so easily take advantage of the scenic and recreational appeal of those lands in their backyards.

Since formation of the NAGC in 1999, we have recognized the critical importance of the recreation fee demonstration program ("fee demo") and regarded it as a priority issue on the NAGC agenda. We believe that the hundreds of millions of dollars that have been generated by fee demo, with eighty percent retained for use at the lands where it is collected, have enabled thousands of projects to be completed, significantly reducing the infrastructure maintenance backlog that has plagued these agencies for decades. The result has been to improve the Federal lands experience for both visitors and residents. We have closely followed the implementation of the program by the four Federal agencies given this responsibility by Congress, testifying and submitting several statements to Congress during this period in broad support of fee demo while recommending substantial reforms in the program.

In a January 2004 survey of the NAGC membership, 76 percent of those responding said they either supported or strongly supported the fee demo program. Most gateway residents understand how important it is to retain 80 percent of fee demo revenue for use at the public lands location where it is collected. They understand that fee demo revenue has funded numerous projects that have made the Federal lands more appealing and more enjoyable for visitors. They understand that it is unrealistic to expect that the \$180 million now collected annually from fee demo will be replaced through the Congressional appropriations process. They believe it is imperative that this recreation fee stream be continued by Congress.

Mr. Chairman, we would also note that there has been discussion of combining recreation fee legislation with key elements of H.R. 1014, the Gateway Communities Cooperation Act, which you introduced. While we can see the benefits of such a combined bill, we do not favor anything that would delay consideration of H.R. 1014, which, as you know, has received careful attention for nearly four years and seems to be moving towards passage.

Importance of Fee Demo

It is clear to us that fee demo has benefitted the Federal lands, allowing them to serve their visitors better and, thereby, to have an even more positive impact on state and gateway community economies.

In Fiscal Year 2004, it is estimated that fee demo will generate approximately \$180.2 million for all four agencies involved, with the National Park Service collecting \$124.7 million, the Forest Service \$42 million, the BLM \$9.5 million and the Fish & Wildlife Service \$4 million. Revenue from fee demo has been used almost entirely to pay for badly needed infrastructure maintenance and visitor service facilities at the public land sites where the revenue is collected.

The NAGC believes the case for fee demo transcends budgetary needs and that fee demo has the potential to: (1) engender greater public appreciation for the Federal lands by showing the value-added benefits of those lands and the recreation ex-

perience; (2) help agencies manage access to overcrowded areas; (3) encourage greater stakeholder participation in Federal land management decisions; and (4) encourage greater interagency and interdepartmental coordination.

Criticisms of Fee Demo

We fully recognize that implementation of fee demo has been problematic. We are sure that other witnesses before this subcommittee will elaborate on criticisms of fee demo implementation. It should be noted that these criticisms are, for the most part, much less applicable to the National Park Service, which has long experience with administering entrance fee programs and as it has implemented fee demo, has for the most part simply increased fee levels and expanded the number of entrance fee sites. For the Forest Service the BLM and the Fish & Wildlife Service, without a tradition of fee collection, and often with multiple points of entry onto their lands that make enforcement of entrance fees difficult, fee demo implementation has necessarily been more varied and more experimental.

Following is a summary of what appear to us to have been the most serious and valid shortcomings of fee demo implementation. While significant strides have been made by the agencies to address many of these problems, further improvements are needed in new recreation fee authorization legislation and many of them are addressed in H.R. 3283.

1. Fee demo implementation has too often resulted in "layering" of fees whereby visitors are required to pay multiple fees for different services or activities at the same site.
2. Fees levied at different sites by different agencies have not been coordinated to prevent duplicate fees and to ensure that comparable fees are charged for comparable services.
3. Fees have been charged that are disconnected to Federal land improvements, with the result that visitors and residents are asked to pay for the same services and facilities that have previously been available without charge. (This has been a particular complaint of many local gateway community residents upset at suddenly having to pay for access to the same Federal lands they have always regarded as their "backyards" with virtually unlimited access.)
4. Related to the preceding point, fees have been charged for access to "dispersed recreation areas" where the benefits from such fees are not self-evident.
5. Concessioners and permittees, who have already paid their contractual fees, made their business and marketing plans and set their prices accordingly, have objected strongly when their customers on short notice have had to pay additional fees under fee demo.
6. Local gateway community businesses object that fee revenue has been used to modernize or expand facilities on the Federal lands that compete unfairly with nearby private businesses.
7. The Federal agencies have spent too much on implementation of the fee demo program.

In addition to these implementation criticisms, there have been what can be termed philosophical objections to fee demo, with three of them especially prominent: (1) that fee demo charges Americans for use of Federal lands they own and are already paying for through their taxes; (2) that fee demo is economically regressive and inhibits use of the Federal lands by those with lower incomes; and (3) that fee demo encourages commercialization of the Federal lands by forcing the agencies to rely more on revenues generated by more visitors, resulting in ecological damage to those lands.

To the extent that such philosophical objections reflect different value judgments they are difficult to rebut, but we would make the following points. First, it is not at all uncommon to levy user fees for government products and services that are principally beneficial to individual citizens. Second, a carefully structured and implemented fee program can add considerably to the visitor experience on our Federal lands and can actually enhance the protection of the environment and the preservation of the resource.

NAGC Position Regarding H.R. 3283 and Further Recommendations

The NAGC realizes that the agencies themselves have taken meaningful steps to reform the fee demo program. The Federal Recreation Fee Council, co-chaired by Interior Assistant Secretary Lynn Scarlett and Agriculture Under Secretary Mark Rey, has greatly improved interdepartmental and interagency coordination and helped make the overall program more consistent and rational. Although it does not address all the concerns about fee demo implementation, we are also encouraged by individual agency initiatives, such as the 2003 Forest Service's Blueprint for Recre-

ation Fees, which shows an awareness of the problems and outlines several promising initiatives.

As indicated earlier, the NAGC supports authorization of a permanent or long-term, reformed fee demo program. Permanent authorization would provide the agencies with maximum certainty to facilitate long-term planning. We are pleased, therefore, that H.R. 3283 would establish a permanent recreational fee program that would require agencies to retain no less than 80 percent of recreation fee revenues at the specific public lands unit or area where it is collected.

If, however, Congress believes it is advisable to mandate a review of the effectiveness of recreational fee program reforms, we believe a six-year authorization, as with the Federal surface transportation program, would provide a reasonable balance between agency planning needs and time to assess the impact of reforms and other changes in the program.

We support expanding the recreation fee program to include the Bureau of Reclamation and would also support adding the U.S. Army Corps of Engineers. We believe all the Federal land agencies that provide recreational services and facilities to the public should be included in recreation fee demonstration.

We cannot support legislation such as S. 1107 which would establish a permanent recreation fee program but only for a single agency (i.e., the National Park Service). Visitors to the Federal lands often do not distinguish between the different agencies managing those lands and many of the problems with fee demo legislation have arisen because of a lack of cooperation and coordination between the different agencies. Congress should address the issue of recreation fees comprehensively.

We applaud the purposes and principles of the recreation fee program as outlined in H.R. 3283. Although the stated purposes and principles are stated in general terms and need to be interpreted and clarified, they are a significant step towards development of a coherent, rational set of guidelines.

We are especially pleased that H.R. 3283 would encourage greater interagency and intergovernmental coordination of recreation fees, in particular through the creation of "regional, multientity passes" in Section 10(b). We recommend, however, that such interagency and intergovernmental coordination be more strongly encouraged in the legislation. Instead of saying the Secretary "may" establish regional multientity passes, Section 10(b) should direct that the Secretary "shall" or "will" establish them.

We also support the provision in H.R. 3283—Section 4(f)—allowing fee management agreements, as a means of allowing gateway businesses and others to provide fee collection and processing services. This will not only help reduce agency administration costs, but it will also promote closer cooperation between the public land agencies and gateway communities.

In addition, to strengthen H.R. 3283, we strongly recommend the following amendments to H.R. 3283:

1. Agencies should be explicitly authorized to develop cooperative agreements to collect fees for each other. Although this is apparently now occurring in some areas, many local agency managers are unwilling to enter into such agreements without clear statutory authority;
2. Agencies should utilize the expertise and experience of state and local tourism offices to help identify areas with particular tourism and recreation appeal that justify entrance or access fees. "Special Places" with a high degree of such appeal may be identified through a selection process similar to that used to designate national scenic byways;
3. Agencies should be encouraged to use differential pricing for fees to recognize seasonal market demand;
4. Some fee revenue—perhaps ten percent—should be used to develop public information, education and communication programs for better known parks, forests and other lands. Such programs can be coordinated with ongoing state and local tourism office marketing efforts;
5. The Federal agencies should work more closely with state tourism offices and gateway communities in designing and planning fee structures. Local fee boards should be established to review and approve proposed Federal public land recreation fees because of their impact on gateway communities and their residents;
6. A National Recreation Fee Advisory Board, as recommended by the American Recreation Coalition, should be established to recommend common criteria for fees, oversee agency fee programs, foster coordination of fees, review innovative fee proposals, prepare annual reports on fee programs and review appeals alleging unjustified or inappropriate fees. Both national and local fee advisory groups should have members representing those principally paying the fees, including concessioners and permittees;

7. Following the fee demo model, eighty percent of the revenue from special use permit fees should also be retained and used at the locations where it is collected. While the National Park Service is authorized to retain such special use permit revenue for use at the local sites where it is collected, the other Federal land agencies are required to turn over all such revenue to the General Treasury, thus foregoing substantial revenue for local use. In the thirteen western states, for example, the Forest Service collects about \$25 million annually in revenue from special use permit fees—nearly as much as the agency collects from fee demo. Yet the Forest Service must return all that revenue to the Federal Treasury;
8. The fee program should be carefully monitored in the future through the Congressional authorization process;
9. Any new recreation fee legislation should include Congressional assurance that revenue from fees will not be nullified or offset by reductions or lower growth rates in agency budgets; and
10. Most attention given recreation fees has focused on how the fees are set and collected. Similar attention needs to be given to how fee revenue is spent. A major criticism of fee demo expenditures has occurred when the result has been to fund projects on the Federal lands that duplicate services or activities already available in nearby gateway communities. An example is when campgrounds on Federal lands are constructed, expanded or upgraded when nearby private campgrounds could readily accommodate additional campers. The result is to create unfair competition that damages private-sector businesses. We recommend that Congress direct the agencies to conduct a study of any new visitor service projects that may pose unfair competition for private gateway businesses and ensure: (a) that the project is really necessary and duplicative of services already available in the community; and (b) that any fees charged for services on the Federal lands are comparable to those charged in the private sector.

We are also concerned about potential adverse consequences of H.R. 3283 on concessioners, outfitters and guides on the Federal lands. In the first place, it is important that public lands recreation fees be set with full consideration of their impact on these vital private-sector partners. It is unfair for the agencies to increase recreation fees after the concessioners, outfitters and guides have published their prices for the season. To avoid this problem, we recommend that any long-term recreation fee legislation make clear that Congress intends that no fees should be set that will reduce recreation use and the prospects for profits by private-sector businesses under existing contracts or permits. S. 1107 contains worthwhile notice and documentation provisions that should be considered in this context. A second serious concern regarding the impact on H.R. 3283 on concessioners, outfitters and guides is its repeal of Section 4 of the Land and Water Conservation Fund Act of 1965. This would seem to repeal current Forest Service and BLM permitting authority. There may also be potential conflicts with the National Park Omnibus Management Act. Such dramatic changes in these fundamental statutes must be carefully considered.

In addition, the agencies should be encouraged to communicate to visitors and the public the benefits of their fee programs in terms of providing a better visitor experience. Wherever possible, investments from fee revenue should be tangible and visible. Public land recreation users, local governments and the tourism and recreation industry should be involved in the design and implementation of fee programs.

Finally, the NAGC realizes that fee revenue will never be sufficient to meet the budget needs of the Federal land agencies. At the same time, it seems likely that stringent demands on Federal finances will create severe pressure on natural resource agency budgets. With this in mind, we strongly urge Congress to undertake a more comprehensive review of the fiscal needs of these agencies and consider a wide range of options, including integrated fee strategies, public-private partnerships, Federal land bonds, encouragement of volunteer support, technological initiatives and other alternatives.

Summary and Conclusions

The National Alliance of Gateway Communities supports long-term authorization by Congress of the recreation fee demonstration program as vital to the viability of the tourism and recreation industry and economies of hundreds of gateway communities. Not only does fee demo provide essential revenue to fund critical infrastructure and maintenance projects to improve the visitor experience, its potential benefits can be even greater, including demonstrating to visitors and the public the value-added importance of the Federal lands, providing an important management tool regarding access to overcrowded areas, encouraging a greater stakeholder role

in land management decisions and encouraging more interagency and intergovernmental coordination. The policy of retaining and using at least eighty percent of fee demo revenue at the location where it is collected must be continued.

While H.R. 3283 is a useful beginning to the establishment of a permanent or long-term recreation fee program, it also has several shortcomings. Clearly, for the fee demo program to fulfill its promise, reforms are necessary. The NAGC believes that an effective recreation fee program should contain the following elements:

1. development of more regional interagency and intergovernmental fees;
2. clear authority for the agencies to collect fees for each other;
3. utilization of state and local tourism offices to identify areas with special tourism and recreation appeal;
4. utilization of state agencies and local gateway businesses to collect fees;
5. utilization of differential fee pricing to respond to seasonal demand;
6. utilization of a portion of fee revenue for public information, education and communication programs for better-known Federal lands;
7. development of a local advisory process involving state tourism offices and gateway communities to help design and plan fee structures;
8. establishment of a National Recreation Fee Advisory Board;
9. retention and use of eighty percent of revenue from special use permit fees at locations where it is collected;
10. Congressional assurance that Federal land budgets will not be cut nor have their growth rates reduced to offset fee revenue; and
11. prevention of expenditures from recreational fees being used to fund projects that duplicate and compete unfairly with gateway businesses.

Finally, we urge that Congress undertake a comprehensive review of the short- and long-term outlook for Federal land agency budgets, realizing that recreation fees must be part of a broader fiscal strategy for the Federal lands.

Mr. RADANOVICH. Thank you very much, Mr. King.

I want to welcome Ms. Christine Jourdain, Executive Director of the American Council of Snowmobile Associations. Welcome to the Subcommittee, and you may begin your testimony.

STATEMENT OF CHRISTINE JOURDAIN, EXECUTIVE DIRECTOR, AMERICAN COUNCIL OF SNOWMOBILE ASSOCIATIONS, AMERICAN RECREATION COALITION, BOARD MEMBER, EAST LANSING, MICHIGAN

Ms. JOURDAIN. Thank you.

Good morning. I am the Executive Director of the American Council of Snowmobile Associations, comprised of 25 state snowmobile associations representing over 1.7 million snowmobilers in the U.S. I also appear today as a director of American Recreation Coalition, a National federation of more than 100 organizations.

Let me begin by expressing appreciation to Congressman Regula, author of the legislation under consideration today.

We perceive fees as one element in assuring the public that visits to their lands will be enjoyable and safe. Fees are not an end goal. Rather, they are a means to help achieve our goal of great experiences in the Great Outdoors, along with an appropriated funds, volunteerism, partnerships, and more. ARC members took an active part in the National debate on fees hosted by the President's Commission on America's Outdoors from 1985 to 1987. Americans made it clear then that they would pay reasonable fees for quality recreation opportunities just as they will pay reasonable costs for quality sleeping bags and boats, but the agencies had little incentive to charge recreation fees since they disappeared into the general Treasury accounts.

We agreed with their call for more financial reliance, but not complete reliance upon visitors to Federal recreation facilities. We

applaud this Committee's involvement in the creation of the Fee Demo Program which has provided new resources, nearly \$200 million annually to protect the Great Outdoors legacy and to enhance many of the more than one billion visits we make to Federal lands systems each year. We have monitored the actions of the agencies involved in the Fee Demo Program and consider the program to be successful in the most part.

We believe it is time to move forward, ending the short-term nature of the demonstration. This brings us to our comments on H.R. 3283. The American Recreation Coalition's position on Federal recreation fees is very consistent with the principle section of this bill. The additional principle we urge would reflect the increasing importance of the Great Outdoors in boosting the physical and mental health of all Americans. Yet, despite our agreement on the principles and appreciation for both Mr. Regula and this Committee, we cannot support H.R. 3283 in its present form. Our most serious concern is this bill would provide permanent authority for recreation fees. We disagree.

We believe that further experimentation is needed in the fee area both to overcome concerns about specific fee demonstration projects and to capitalize on new technology and communication opportunities. New understandings achieved through this process might modify the desirable provisions for Federal recreation fee programs in the future.

We also believe that both now and again periodically in the future, the Congress must make the point to Federal agencies that fees are merely one aspect of a program to enhance visitor experiences in the Great Outdoors. At the same time, Congress should provide direction to the agencies on priority issues of the collected fees. This is exactly the pattern used to guide the Nation's surface transportation program. Both Federal fuel tax and the programs using those taxes are reenacted every 6 years.

A second concern is that the legislation before the Committee fails to go far enough in encouraging unification and simplification of recreation fees. It also fails to cover the U.S. Army Corps of Engineers and Bureau of Reclamation.

A third concern is the failure to address the full range of fees paid by special recreation permit holders. We support retention of fees to assist in providing and enhancing visitor services, but realize the complication, including laying of fees under other authorities such as cost recovery. We also support David Brown's comments that he will make on this topic.

A fourth concern is the failure to create mechanisms to ensure that fee programs meet H.R. 3283's collaborative principle. We urge the creation of a new recreation fee advisory board with authority to review program complaints and appeals. This board would also be responsible for preparing annual reports on Federal recreation fees. Avenues on the local level are also needed to achieve the collaborative principle.

A fifth concern is the failure of H.R. 3283 to establish a new recreation fee site investment account allowing improvements in advance of new or raised fees. Fees are accepted readily if facilities and services are improved and least welcomed when new or higher fees are charged without instant and obvious results.

Sixth, we urge that the legislation clarify the language authorizing waivers of fees for volunteers. We specifically urge creation of a new “Take Pride in America” pass.

Seventh, we applaud H.R. 3283’s focus on outcomes, not incomes, yet the legislation fails to incorporate adequate provisions to this goal. We urge inclusion of rewards for those sites that are receptive to alternative means of providing services and facilities on Federal lands through partnerships and enlisting the assistance of correction agencies.

Eighth, new authorities for creative and innovative partnerships among Federal agencies, non-profits, and corporations are needed, including the use of PPVs and NAFIs.

Finally, we understand the need to limit fee collection, yet we are concerned that the limits imposed may preclude some fee strategies that would increase convenience, efficiency, and other principles that might have broad support.

Thank you for your interest.

[The prepared statement of Ms. Jourdain follows:]

Statement of Christine Jourdain, Executive Director, American Council of Snowmobile Associations, Member, Board of Directors, American Recreation Coalition

Mr. Chairman and distinguished Members, I am Christine Jourdain and I am the Executive Director of American Council of Snowmobile Associations (ACSA), based in East Lansing, Michigan. The Council is comprised of 25 state snowmobiler associations comprised of more than 2,500 local clubs representing over 1,700,000 snowmobilers in the United States—and these outdoor enthusiasts are very frequent visitors to federal recreation sites. I also serve as a member of the Board of Directors of the American Recreation Coalition (ARC), a national federation of more than 100 national organizations actively involved in meeting the recreation needs of Americans. ARC’s members produce recreational products ranging from canoes to motor homes to tents, provide services ranging from campsites to downhill skiing and represent the interests of tens of millions of us belonging to individual membership groups including the Good Sam Club and BoatU.S. ARC members have a very strong interest in fees at federal recreation sites and played a key role in the creation of the National Recreation Fee Demonstration Program. I appear in a dual capacity, representing both ARC and ACSA.

Let me begin by expressing appreciation to the author of the legislation under consideration today, the Honorable Ralph Regula. His work on behalf of public lands and recreation has been extraordinary, and ARC presented him with the highest recognition of the recreation community, the Sheldon Coleman Great Outdoors Award, in June 2000. Moreover, Mr. Regula’s commitment to recreation prompted him to work closely with ARC and others in crafting the National Recreation Fee Demonstration Program, which paved the way for consideration of this legislation.

We perceive fees as one element in assuring members of the public that their visits to their lands will be enjoyable and safe. Fees are not an end for us—rather they are a means to help achieve our goal of great experiences in the great outdoors in conjunction with such other tools as volunteerism, appropriated funds, partnerships and more.

Federal recreation programs have been underfunded for years, resulting in an immense backlog of deferred maintenance and a failure to develop new capacity as demand for recreation has grown. Prior to the creation of the National Fee Demonstration Program, federal fees existed but failed to contribute to recreation site operations. Campgrounds operating with solely appropriated funding opened later and closed earlier—frustrating millions who sought to use their lands and were willing to pay, but who found only locked gates. We saw declines in interpretive programs—the ranger walks and campfire talks that have left indelible impressions on me and tens of millions of others. We saw recreationists and federal officials alike frustrated that no monies were available to create and manage opportunities for newly popular recreational activities, such as mountain biking and rock climbing. And we learned that the rules of the funding game taught federal agencies to focus on the satisfaction of Congressional appropriators, not visitors.

ARC members took an active part in the national debate on fees hosted by the President's Commission on Americans Outdoors (PCAO) from 1985 to 1987. Americans across the country made it clear that they were willing to pay reasonable fees for quality recreation opportunities—just as they will pay reasonable costs for quality sleeping bags and boats. But we heard that the agencies had little incentive to charge recreation fees, since fees generally disappeared into general Treasury accounts. We agreed with PCAO's call for more financial reliance—but not complete reliance—upon visitors to federal recreation facilities to ensure that our national parks, national forests, wildlife refuges and public lands remain hosts to outstanding recreation experiences.

We applaud this committee's involvement in tandem with the Interior Appropriations Subcommittee in the creation of the fee demonstration program, which has provided a crucial learning opportunity. Across the nation, new fees have been tried and fees have been collected in new ways. In addition to the learning going on, federal agencies have had substantial new resources—approximately \$200 million annually—to protect the Great Outdoors legacy we share and to enhance many of the more than one-billion visits we make to federal land systems each year.

We have closely monitored the actions of the four agencies involved in the fee demonstration program, consulting with local recreationists as well as agency officials implementing the program. In general, we consider the fee demonstration program to have been a success. We believe it is time to move forward, ending the short-term nature of the demonstration program and commencing a new, six-year fee program.

This brings us to our comments on the legislation before the Committee today. The American Recreation Coalition's position on federal recreation fees is remarkably consistent with the Principles section of H.R. 3283. We will address mechanisms seeking to achieve these Principles later in this testimony because our experience under fee demonstration has been that the details of fee programs can seriously undermine program goals. The sole additional Principle we seek to include in the legislation would be to reflect the increasing recognition of the role of the Great Outdoors in the physical and mental health of all Americans, especially in light of the health risks arising from inadequate physical activity by more than two-thirds of the public.

Yet despite our agreement on Principles and our appreciation for both Mr. Regula and this Committee, we cannot support H.R. 3283 in its present form.

Our most serious concern is that H.R. 3283 would provide permanent authority for recreation fees. We disagree with granting this authority for several reasons. First, and most importantly, we believe that substantial further experimentation is needed in the fee area, both to overcome recognized concerns about specific fee demonstration projects and to capitalize on new technologies and communications opportunities. New understandings achieved through this process might modify the desirable provisions for federal recreation fee programs in the future.

We also believe that both now and again periodically in the future, the Congress must make the point to federal agencies that fees are merely one aspect of a program to enhance visitor experiences in the Great Outdoors. At the same time, the Congress should provide direction to the agencies on priority uses of the collected fees. This is exactly the pattern employed by the Congress to oversee the nation's surface transportation program: Both the federal fuel tax and the programs using those taxes are enacted by Congress every six years.

A second serious concern is that the legislation before the Committee fails to go far enough in encouraging unification and simplification of recreation fees. For one thing, it fails to cover the federal agency hosting the largest number of recreation visits annually—the U.S. Army Corps of Engineers—as well as the Bureau of Reclamation, a growing factor in recreation in the fast-growing western U.S. We would further ask that Section 10(b) of the legislation be amended to give strong encouragement to integration of fees charged by federal, state and local agencies—an area with minor, but promising, achievements to date. The Oregon Coastal Pass is a model in this regard.

A third concern is the failure to address the full range of fees paid by special recreation permit holders. We support retention of fees paid for those permits to assist in providing and enhancing visitor services but note the current and potential future complications associated with these fees, including burdensome layering of fees under other authorities, such as cost recovery. We recognize that another witness at today's hearing, David Brown, will be addressing this issue in some depth and wish to express support for his comments.

A fourth concern is the failure to create sufficient mechanisms to ensure that fee programs meet the "collaborative" Principle of the legislation. We urge new provisions affecting both the national and the local levels. First, we endorse the creation

of a new National Recreation Fees Advisory Board with authority to review fee program complaints and appeals. The Board would also be responsible for preparing annual reports on federal recreation fees. A significant number of the Board members should represent those paying fees. At the local level, several agencies have existing RACs—resource advisory committees—which can and should be utilized to achieve this principle.

A fifth concern is the failure of H.R. 3283 to establish a new recreation fee site investment account which would allow improvements prior to imposition of new or raised fees. Experience in the field shows that fees are accepted readily if facilities and services are improved, and least welcomed when new or higher fees are charged without prompt and observable results. Congress can aid fee acceptance by establishing and funding a revolving fund used to create enhancements, a fund which could be repaid in part with collected fees.

Sixth, we urge that the legislation clarify the language authorizing waivers of fees for volunteers. We specifically urge creation of a new Take Pride in America Pass, available only as recognition of significant volunteer efforts at one or more federal sites. In addition to promoting volunteerism, the pass could have other beneficial effects. It would provide an alternative for access to those who face economic or other challenges regarding fees. This pass would also eliminate concerns about the legal uncertainties arising from giving passes available for purchase to volunteers—including questions about coverage under Workmen's Compensation and protection from lawsuits. Moreover, the opportunity to recognize volunteers could enable federal sites with little or no opportunity to collect fees to benefit indirectly from the fee program. These areas could offer their volunteers the ability to be exempted from fees at other federal sites.

Seventh, we applaud the title and purposes of H.R. 3283 to focus on outcomes, not incomes. Yet, the legislation fails to incorporate adequate provisions to advance this goal. We urge inclusion of rewards for those sites that demonstrate a receptivity to alternative means to provide services and facilities on federal lands through partnerships with state and local agencies, volunteers and "friends" organizations and concessioners/permittees and/or enlisting the assistance of corrections agencies and military units in caring for America's public lands and the recreation facilities on those lands. One such provision would be to permit the Secretary to increase retention from 80% to 90% for units and programs demonstrating this principle.

Eighth, we have grown increasingly interested in new authorities for creative and innovative partnerships among federal agencies, nonprofits and corporations to meet legitimate public recreation needs, including use of PPVs (Private/Public Ventures) and NAFIs (Non-Appropriated Funding Instrumentalities). We urge inclusion of NAFI authority parallel to that recently given to the Department of Veterans Affairs on at least a demonstration basis for all agencies covered under H.R. 3283 as a means to expand or replace the investments contemplated under the new recreation fee site investment account described above.

Finally, we understand the need to constrain fees beyond the limits contained under the National Recreation Fee Demonstration Program. However, we are concerned that the limits imposed under H.R. 3283 may preclude some fee strategies that would increase convenience, efficiency and other principles and might enjoy broad public support. For this reason, we support granting to the National Recreation Fees Advisory Board the power to recommend to the Secretary, and to empowering the Secretary with the right to approve, a fee program which involves collection of fees at one or more sites at which fee collection is limited under Section 6(b) of the legislation.

We thank you for your interest and for your willingness to address the recreation fees issue comprehensively, fairly and creatively. I would be delighted to respond to any questions you might have on our suggestions and on our assessment of the successes and lessons learned from the National Recreation Fee Demonstration Program. I am joined at the hearing today by several ARC members and staff, including ARC President Derrick Crandall, who will be able to assist me in responding to your questions.

Mr. RADANOVICH. Thank you, Ms. Jourdain. I appreciate your testimony.

I would like to welcome next Mr. Roy Denner, the President and CEO of Off-Road Business Association.

Mr. Denner, I understand you are recuperating well from back surgery. I am glad you were able to make the trip out here, and I appreciate you being here today.

**STATEMENT OF ROY DENNER, PRESIDENT AND CEO,
OFF-ROAD BUSINESS ASSOCIATION, SANTEE, CALIFORNIA**

Mr. DENNER. Thank you, Mr. Chairman. I am speaking today on behalf of several off-road recreational organizations identified in my submitted material, which I would like to have entered into the Congressional record.

Mr. RADANOVICH. There being no objection, so ordered.

Mr. DENNER. OK. Nobody likes to pay fees, but I believe most recreation enthusiasts in this country have conceded the fact that user fees at recreation sites are a necessary evil. The major concern now is that the fees collected are utilized in a manner that benefits the people who pay those fees. By way of example, I am going to describe a fee demo program that has been in existence for 5 years that is actually working to the detriment of the people who pay those fees.

There is an off-highway vehicle, OHV, recreational area in the southeastern corner of California known as the Imperial Sand Dunes Recreational Area, ISDRA, also known as Glamis. This facility managed by the BLM is likely the most actively utilized motorized recreation area in the country, especially in terms of vehicle operating hours per acre available. It is not unusual for the ISDRA to experience 200,000 visitors on a holiday weekend. Annually, the facility accommodates almost one and a half million visitors.

The ISDRA was reduced from around 160,000 acres to approximately 118,000 acres when part of the sand dune chain was designated as wilderness by the 1994 California Desert Protection Act. The area available for motorized recreation was subsequently cut in half as a result of a settlement by the BLM on a lawsuit initiated by three environmental organizations in the year 2000. As the area available for motorized recreation has drastically reduced in size, the popularity of this area for recreation has literally exploded. OHV enthusiasts come from all across the country to visit the ISDRA. A recent publication released by the BLM and the Forest Service lists the ISDRA as one of the top 12 recreation sites in the United States.

Prior to the initiation of the program on January 1, 1999, there were two sources of funding to cover the operation and maintenance of the ISDRA: Federal allocations and grants from the California State Off-Highway Vehicle Program. Grants from the California program have traditionally been slightly over \$1 million annually. As of last year, the amount of grant money received for O and M at the ISDRA has been reduced to zero. In spite of the huge number of visitors the area sees each year, the total Federal allocated funding for the ISDRA is only two \$200,000, about 5 percent of the funds needed, not nearly enough to keep the gates open.

So under the BLM's cost recovery program, user fee rates are set to pick up the balance of the \$4 million it takes to operate the ISDRA each year on a minimal no-improvement budget. Last year, with the elimination of the state grant funds, users saw their fees triple without experiencing any significant improvements on the

ground to benefit the millions who recreate there. The Fee Demo Program is being utilized to replace Federal appropriations needed to operate the ISDRA.

It is not the end of my story. Last year, the BLM completed the preparation of a new recreation area management plan, RAMP, for the ISDRA. In addition to calling for many on-the-ground improvements to benefit users, the plan requires a monitoring study for one ESA-listed species and several species of concern. The cost of the monitoring plan is almost \$1 million. The RAMP calls for the effort to be paid for by a combination of allocated funds, state grants, and user fees. State grants are gone, and the entire Fiscal Year 2004 Federal allocation to the ISDRA is only \$200,000.

As I speak to you, the monitoring effort underway is being funded entirely by fee demo money. Implementation of on-the-ground improvements to provide more OHV recreation support are held up due to legal action which is preventing the implementation of the new management plan. The BLM has decided to go ahead with a monitoring study called for by the plan in spite of the court's order preventing implementation of the plan until the U.S. Fish and Wildlife issues its biological opinion on the plan.

Fee demo money is being spent to whatever degree the BLM deems necessary with no user input or consideration of the fee demo's intended purpose. The elimination of the state-granted dollars to operate the ISDRA coupled with unregulated expenditures, such as the ongoing species monitoring program, will undoubtedly lead to even higher user fees for next season. The BLM will be asking visitors who have not seen a single significant improvement in facilities or recreation opportunities in at least 3 years to step up and pay for environmental efforts that may ultimately be used to reduce OHV recreation opportunities there even further. It is sort of like being asked to pay for the material to build your own gallows.

How do we control this problem? Recreationalists nationwide believe that is imperative that any fee demo legislation adopted including a requirement that the bulk of the dollars collected from end users go to improving recreation opportunities on the ground at each facility. At the very least, expenditure of these funds should be limited to intended purpose and should not amount to an off-budget slush fund for the BLM.

As Assistant Secretary of the Interior Lynn Scarlett testified to this Committee last month, it was the intent of Congress that the Fee Demo Program allow participating agencies to retain a majority of recreation fees at the site collected and reinvest those fees into, quote, enhancing visitor facilities and service. This authority was deliberately broad and flexible to encourage agencies to experiment with their fee programs, unquote. The BLM's experimentation with fee demo money at the ISDRA cannot be seen as enhancing visitor facilities or services and could eventually lead to visitor fees that price the ISDRA out of the recreation marketplace and ultimately closure of the facility, actually satisfying the apparent agenda of some anti-access groups.

The people who recreate at Federal recreation sites should expect to see reinvestment of their user fees and should be afforded some say at a higher level of advisory as to how their fees are spent. I

respectfully petition this committee to help correct the problem at the ISDRA and to establish controls to prevent this example of fee demo gone awry from becoming the norm for other recreation areas. federally mandated programs at recreation areas, such as species monitoring efforts, should be paid for with Federal funding, not user fees.

Thank you for listening to my story.

[The prepared statement of Mr. Denner follows:]

**Statement of Roy Denner, President & CEO,
Off-Road Business Association (ORBA)**

Geography:

The Imperial Sand Dunes Recreation Area (ISDRA) in the southeastern corner of California is quite likely the most actively utilized motorized recreation area in the country. This is certainly true in terms of vehicle operating hours per acre available. Originally an area of almost 160,000 acres, the area remaining for off-highway vehicle recreation after the 1994 California Desert Protection Act (CDPA) was approximately 118,000 acres. A significant part of the ISDRA was made a wilderness area—disallowing motorized recreation—by that legislation. It was Congress's intent at the time that the remaining portions of the ISDRA that were not turned into wilderness by the CDPA remain available for motorized recreation.

Then, more recently, the BLM was sued by the Sierra Club, the Center for Biological Diversity, and Public Employees for Environmental Responsibility for not adequately protecting species within the remaining area open to vehicles. The area available for motorized recreation was then cut in half as a result of a settlement made by the BLM the day before the current U.S. President was inaugurated in the year 2000. Supposedly, the new closures are temporary until the BLM consults with USFWS and develops a new management plan for the area. The area has been closed for 4 years now! As the area available for motorized recreation at the ISDRA has reduced drastically in size, the popularity of this type of recreation has literally exploded. On major holiday weekends, this area sees as many as 200,000 visitors. The annual total is over 1.4 million. In California, alone, the OHV recreation industry is estimated to have a \$9 billion economic impact.

User Reaction to Fees:

With the implementation of the fee demo program at the ISDRA on January 1, 1999, three funding sources were available for the operation and maintenance of the facility—Federally appropriated funding; grants from the California Off-Highway Motor Vehicle trust fund; and fee demo dollars collected. There was a loud outcry from the ISDRA user community when the fee demo program was announced. Many people who recreate at the ISDRA believe that they have already paid once for the right to use the federal recreation area through the payment of their Federal taxes. Some suggest that they have paid again for the right to use the area through the payment of off-road vehicle license fees and off-road fuel tax fees collected at the State level. Funds collected through the State of California's Off-Highway Motorized Vehicle Recreation (OHMVR) program have traditionally been directed to the ISDRA through the State's grant program. Now, with fee demo, users are expected to pay again for the right to recreate at the ISDRA by paying user camping fees.

Advisory Technical Review Team:

The BLM, in an effort to diffuse the uproar, agreed to establish a Technical Review Team (TRT) composed of user representatives and gateway community representatives. The TRT's primary function is to advise the ISDRA BLM manager on the expenditure of user fees collected. This arrangement enables TRT members to serve as a buffer between the BLM and the recreationists who are being required to pay camping fees at the ISDRA. Attached to this testimony is an article that I wrote when the new management plan for the ISDRA was completed titled "Fees In The Dunes—A Necessary Evil?" This article explains how, under the BLM's cost recovery mandate, any costs necessary to run a particular recreation area that are not provided by other sources must be made up from user fees. The article also attempts to rationalize that, if users want to see the operation stay in business, they must expect to pay a share of the tab. Of course, no one expected that user fees would subsequently triple at the ISDRA! It became difficult for me and other members of the TRT to rationalize the fee increase. Attached is a letter from the ISDRA

Technical Review Team to Secretary of the Interior Gale Norton regarding the Fee Demo Program at the ISDRA.

The Fee Demo Program at the ISDRA:

With that background information, let me address what has taken place with the ISDRA fee demo program since its inception.

Historically, the ISDRA received over \$1 million each year in grants from the CA State Off-Highway Motorized Vehicle trust fund to help with operation and maintenance of the recreation area. This grant to the BLM was deemed to be appropriate since so many Californians recreate at the ISDRA. An OHMVR Commission, composed of concerned citizens, decides on grants to be made from the State fund each year. The current OHMVR Commissioners, who have been appointed by CA State Legislators have, over the last few years, directed State grants away from operation and maintenance activities to support conservation and environmental issues. As I speak to you, not one dollar of the California OHMVR trust fund goes to assisting operation and maintenance of the ISDRA—a loss of funding to the tune of over \$1 million!

The total Federally allocated annual funding that goes to the ISDRA operation is \$200,000. When compared to appropriated funding provided to other Federal recreation areas with similar visitor counts, the ISDRA is obviously seriously underfunded! This most popular high-intensity visitor use area gets the least appropriated funding. To add fuel to the fire, the BLM and the Forest Service recently published a promotional document titled “Discover US—Great Escapes—a dozen trips—America’s Public Lands” that promotes the 12 most desirable recreation areas in the country and, you guessed it, the ISDRA is listed as number 9 in that publication. So, while the Federal Government is encouraging people from across the U.S. to visit the ISDRA, not nearly enough funding to manage the recreation area is being provided!

So, here we are with a recreation area that, by the BLM’s admission, is one of the most popular in the United States. Total appropriated funding is \$200,000. Other sources of funding are nonexistent. The actual cost to operate this area is around \$4 million per year. Without the fee demo program, this operation would be out of business.

But, that’s not all!

New Recreation Area Management Plan for the ISDRA and its Species Monitoring Requirement:

The BLM recently prepared a new Recreation Area Management Plan (RAMP) for the ISDRA. One of the provisions of this Plan is the requirement for an intensive monitoring effort for various species of concern in the ISDRA. The RAMP calls for funding to be provided from three sources which include: 1) appropriated dollars; 2) the State OHV grant program; and 3) fee demo money. The cost of this effort is almost \$1 million. The BLM decided that it would be beneficial to perform this monitoring effort before the new management plan was approved. They argued that it would be necessary to satisfy the U.S. Fish & Wildlife Service’s Carlsbad Office. That USFWS office has been working on a Biological Opinion for the RAMP for many months with no commitment for a decision at any particular date.

Where did the funding for this million-dollar effort come from? Obviously, it didn’t come out of the 200,000 appropriated dollars. Grant funds from the State OHV Trust Fund have been eliminated! So the full-blown monitoring effort—without concern for economic or user impact—is being conducted and is being paid for out of fee demo money. No public input or TRT vote on this use of fee demo money was solicited. No negotiations took place to consider using existing information or to consider paring down the effort to minimize the cost of the task. In fact, the very first expenditure was a high-performance, long-travel, 4-seater, \$60,000 sand car to transport survey participants and an enclosed trailer to transport the vehicle. No one even considered renting a 4-wheel drive, 9-passenger Suburban with paddle tires for the four-month period of the monitoring survey! I have attached an article that I wrote regarding the use of user fees to pay for the BLM mandated effort at the ISDRA titled “Here’s My Checkbook—You Fill in the Name and the Amount.”

The reduction of dollars available to operate the ISDRA coupled with unregulated expenditures—such as the million-dollar species monitoring program—will lead to even higher user fees for next season. We will be asking visitors—who have not seen a single significant improvement in facilities or recreation opportunities in at least 4 years—to step up and pay for environmental efforts that may ultimately be used to further reduce OHV recreation opportunities at the ISDRA. Sort of like being asked to pay for the material to build your own gallows!

Congressional Intent for Fee Demo:

When Interior Assistant Secretary Lynn Scarlett testified last month it was pointed out that, when Congress established the Recreation Fee Demonstration program for several Federal Agencies in 1996, "it was the intent that the program allow participating agencies to retain a majority of recreation fees at the site collected and reinvest those fees into enhancing visitor facilities and services. This authority was deliberately broad and flexible to encourage agencies to experiment with their fee programs."

Was it the intent of Congress in 1996 that the "flexibility" of the recreation fee program should allow managing Federal Agencies to use fees collected to conduct extensive arbitrary species monitoring studies while none of the fees are used for "enhancing visitor facilities and services" at a given recreation area? (The balance of fees collected at the ISDRA covers operation and maintenance). The BLM's "flexible fee experimentation program" at the Imperial Sand Dunes Recreation Area may well lead to the ISDRA's pricing itself out of the recreation market place and ultimate closure of the facility as a result of unreasonably high user fees coupled with the BLM's effort to provide data (at user expense) on species that will give anti-access groups more ammunition to use in future lawsuits against the use of vehicles in the ISDRA.

Attached is my letter to Congressman Pombo, and a letter sent to Secretary of the Interior Gale Norton by the attorney for the American Sand Association, asking for help with the unfair utilization of user fees at the Imperial Sand Dunes Recreation Area.

Recommendation to Subcommittee:

How do we control this problem?

Recreationists nationwide believe that it is imperative that any fee program legislation adopted include a requirement that the bulk of the dollars collected from end users go to improving recreation opportunities on-the-ground at each facility. Wasn't this actually the intent of Congress when the fee demo program was established for Federal Agencies in 1996?

Furthermore, the people who recreate at Federal recreation sites should have some say—at a higher level than advisory—as to how their fees are spent! And, of course, this needs to somehow be compatible with the Endangered Species Act so that anti-access groups can't sue to force Agencies to use fees collected for environmental studies that can ultimately be used to close out recreation. This is precisely what's happening at the Imperial Sand Dunes Recreation Area..

As part of the Congressional Record, I respectfully request that this Subcommittee do a comprehensive review of how fees collected at the Imperial Sand Dunes Recreation Area are being utilized before establishing a new Federal Recreation Fee Program. I am convinced that this example of a fee program that has no controls and no user input will help prevent implementation of a National Program with similar pitfalls.

Recreation enthusiasts are, for the most part, reconciled to the idea that we need to pay to play. We just want to be assured that the bulk of the fees that we pay go to improving recreational opportunities.

Mr. RADANOVICH. Thank you, Mr. Denner.

For the benefit of the panel and those in the audience, there is going to be a series of votes coming up between 12:15 and 12:30, and we are going to try to get all of the testimony done, and we may be doing rapid fire questioning if we can get that done as well, but we will make sure that everybody gets their questions in as well, including me.

Mr. Brown, I want to welcome you to the Committee.

David Brown is Executive Director of American Outdoors from Knoxville, Tennessee.

Welcome, and again, if you could try to abide by that 5-minute rule, it would be much appreciated.

**STATEMENT OF DAVID L. BROWN, EXECUTIVE DIRECTOR,
AMERICA OUTDOORS, KNOXVILLE, TENNESSEE**

Mr. BROWN. Mr. Chairman, Members of the Committee, thank you for giving me the opportunity to testify on H.R. 3283. America Outdoors represents the interest of more than 1200 outfitters and guides, recreation service providers, operating in 43 states. I will summarize my full testimony and respectfully ask that it be entered into the record.

Outfitters and their customers have paid fees for access to federally managed land for decades. We understand the importance of recreation fees and the role in helping Federal agencies accomplish their mission. That being said, while H.R. 3283 has several commendable provisions and good intentions, we do not support the legislation in its current form. I will offer suggestions on changes to the bill that we hope will enable us to support the legislation.

Outfitters and guides are concerned about the overlays of fees proposed in H.R. 3283 coupled with other agency fee and cost recovery initiatives outside the scope of this legislation. Despite numerous hearings on the Recreation Fee Demonstration Program on the need to consolidate permits across agency boundaries, some of the same problems persist in the fee with duplicative and unreasonable fees. H.R. 3283 does not adequately address these issues.

The bill also repeals existing agency outfitter and guide permitting authorities for BLM and the Forest Service. That concerns us. Those authorities are contained in Section IV of the Land and Water Conservation Fund Act. This worries outfitters and guides because it may result in new permitting policies. H.R. 3283 appears to be in conflict with the National Park Omnibus Management Act of 1998. By revising Park Service fees for outfitters and guides, it describes a permit. Many of our people operate under a contract currently.

To resolve these issues, with urge the following: The inclusion of language in the bill to prohibit the impact of permit fees, recreation fees, road fees, cost recovery from prohibiting the reasonable opportunity for a profit for a permittee. Without profit, businesses simply can't survive. The public is not well served by businesses that are struggling and marginalized by unreasonable fees. To attract quality operators, Federal agencies need outfitters who are able to replace worn equipment and enjoy a reasonable standard of living.

H.R. 3283 should also defer to the National Park Omnibus Management Act of 1998 for outfitter contracts and fees and follow the language in S. 1107 for NPS recreation fees. H.R. 3283 should defer to the outfitter policy guide, S. 1420, introduced by Senator Craig for guidance on outfitter permitting policies.

We strongly urge that the Forest Service and BLM fees and their cost recovery initiatives be consolidated into one reasonable predictable fee. We also recommend the 6-year authorization for these recreation fees with the understanding that the fees would be reauthorized periodically.

Perhaps one of the most important issues that we believe deserves addressing in this fee legislation is a broader initiative to secure adequate funding for management of public lands through a variety of revenue sources. That legislation should also authorize an independent review of agencies' organization structures, back-

log, and operating overhead to ensure that funding is not consumed by unnecessary overhead and outdated process, and I know the Forest Service, for one, has begun some of this review with their process predicament paper and some of their planning processes.

This full testimony provides more detail on our proposals in this area. Improved public participation and oversight in the fee initiatives is needed, and the proposals in H.R. 3283 are not adequate. We don't believe that the provisions for public participation are legally binding in here and it is simply encouraged. Unless this requirement is strengthened, the same inconsistent application and administration that has diminished support for the recreation fee demonstration program will likely continue. With over 200 groups organized, by some counts, to oppose the implementation of fee demo, it is apparently that business as usual will not work.

I have recommended state-level fee councils appointed by the secretaries with binding authority to coordinate fees and direct spending in each state. State-level oversight is preferable to a National-level council because it is closer to the action. The division of labor afforded by state-level fee councils also appropriately scale to the magnitude of the oversight task and ensures a higher level of public participation. I believe that there is a role for a National council to oversee the overall program, to recommend best practices, and perhaps nominate members of the state council.

My full testimony provides more detail on that proposal. I will be happy to answer any questions. Thank you.

[The prepared statement of Mr. Brown follows:]

Statement of David L. Brown, Executive Director, America Outdoors

Mr. Chairman and members of the Committee, thank you for giving me the opportunity to testify on H.R. 3283, The Federal Lands Recreation Enhancement Act. America Outdoors represents the interests of more than 1,200 outfitters, guides and recreation service providers, who are members of America Outdoors and our affiliate state organizations operating in 43 states. The majority of these companies operate on lands managed by the agencies covered by this legislation. Our members and affiliate members provide recreation services to more than 2,000,000 Americans each year.

Mr. Chairman, please accept my sincere appreciation on behalf of outfitters and guides for your interest in this issue and for your careful consideration of all the testimony presented to you on this important legislative initiative.

We also understand that the sponsors of H.R. 3283 are sincere in their desire to address a significant funding problem that is likely to worsen as entitlements seize a larger and larger portion of federal budgets. As is often the case, legislation is proposed to stimulate debate and input in an effort to make improvements to the legislation. It is my hope that this testimony will make a positive contribution to this debate.

Outfitters and their customers have paid fees for access to federally-managed lands for decades. We understand the importance of recreation fees and their role in helping federal agencies accomplish their missions. We also believe that many worthwhile projects have been completed under the recreation fee demonstration program. That being said, while H.R. 3283 has several commendable provisions and good intentions, we do not support the legislation in its current form. I will offer several suggestions on changes to the bill that we hope will enable us to support the legislation.

Need for a comprehensive approach to funding federal land managing agencies.

We believe fee legislation should be coupled with a broader initiative to secure adequate funding for management of public lands through a variety of revenue sources. That legislation should also authorize an independent review of agencies' organizational structures, backlog, and operating overhead to ensure that funding is not consumed by unnecessary overhead and outdated processes. Then, legislation

should specify adequate funding for management of public lands based on realistic projections of need through a variety of revenue sources to include:

- Secure, stable funding from offshore oil and gas royalties;
- Congressional appropriations;
- Recreation fees;
- Corporate and charitable contributions; and
- Other unique strategies.

Others have proposed this approach, including Carl Wilgus, representing the Western States Tourism Council, at an oversight hearing on recreation fees held in the Senate last April.¹ Such an approach is difficult, but without it the future of funding for public lands is at risk. At one point, Congress wrestled with the difficult process of closing unneeded military bases despite their impact on certain Congressional districts. While this issue is somewhat different, the base-closing initiative is indicative of Congress's ability to successfully tackle tough issues.

We believe Congress and the Administration need to take a hard look at agency cost structures. The Forest Service has 121 Administrative units each headed by a Forest Supervisor in addition to Regional Offices and Deputy Chiefs. One former Senior Executive in the Forest Service candidly admitted to me that the agency needed restructuring to reduce overhead costs. He cited a \$200,000 appropriation for the Continental Divide Trail of which only \$60,000 actually reached the ground. On the other hand, field offices in the agency appear to be overwhelmed with process-oriented work.

There are indications that the National Park Service may have similar issues. Secretary Norton recently commented that the National Park Service, in spite of some recent public pronouncements, has more dollars per acre, per unit, per employee than ever before.

To their credit the Forest Service has made some progress in the reduction of duplicative processes. The Forest Service's own white paper, "The Process Predicament" (June 2002),² estimates that 40% of direct work at the forest level is consumed by planning and assessments that cost the agency \$250 million annually. The same document estimates that \$100 million could be saved through revisions to their processes and they have begun to take actions to reduce these costs through revised planning regulations.

In most cases, BLM appears to be the leanest of all the agencies that we deal with and the least conflicted by duplicative, arresting processes. Still, there is significant functional overlap between BLM and the Forest Service where their boundaries abut. Some of our members are facing a difficult time with long-standing permits for trips that cross agency boundaries because each agency is completing separate management plans for adjoining resources. Consolidation of these functions, offices and activities may make sense. There are examples of where the agencies have successfully consolidated some functions, but a more careful review of these opportunities is in order.

Unfortunately, H.R. 3283 does nothing to improve agency operating efficiencies. H.R. 3283 has a set of principles, many of which are well-meaning, but that are general, vague and unenforceable. One provision is commendable in its intent. Section 2, subparagraph 2 calls for "Fair and Equitable Fees" and states that fees "should be affordable and not significantly impact visitation levels." We very much support this provision, but believe that it is unrealistic to increase consumers' costs to visit public lands and to then expect visitation levels to remain the same.

Need for Clear Policy Direction in H.R. 3283.

Legislation authorizing recreation fees should have a clear policy statement. Is the fee authorization designed to restore backlogged maintenance or are they to pay for salaries for recreation managers and others? What happens to the fees when backlogged maintenance is complete? Where does the money go? Is it used to add staff or offset appropriated revenues?

Fees should only be levied for basic, necessary projects and improvements. Otherwise, fee users may become the new source of funding for well-intentioned, but unnecessary, spending. The recreation economy in rural areas simply cannot support unnecessary spending. We believe fees will be supported for backlogged maintenance, necessary services, and modest construction of necessary facilities, if the users have a voice in levying, collecting, spending and discontinuing the fees as may

¹ Testimony of Carl Wilgus, Idaho Department of Commerce, Oversight Hearing on the Recreation Fee Demonstration Program, Subcommittee on Public Lands and Forests, Senate Energy and Natural Resource Committee, United States Senate, Wednesday, April 21, 2004.

² "Process Predicament", USDA Forest Service, June 2002, page 5.

be appropriate. Many users are eager to help the agencies if the money is spent wisely.

Dangerous notions about fees.

A dangerously naive notion prevails that since everyone pays the fee, it can be easily passed on to the consumer with little impact on demand.

Most outfitters and guides are currently wrestling with increased fuel and insurance costs, not to mention healthcare cost increases if they are lucky enough to have coverage. All these increases cannot be absorbed by the consumer who places a value on an experience in comparison to the other options that they have for discretionary spending on leisure, home improvements or retirement. Once the price of a trip exceeds a perceived value, for all but the very rich, demand declines.

Outfitters also operate in a competitive environment. While this environment is generally beneficial to the consumer, it also results in price competition that can lower pricing power and effect margins. These are among the factors that often preclude outfitters from passing on all fee increases. It is also why some fees threaten to dramatically reduce an operator's bottom line.

Another notion often heard is that users should pay the cost of federal recreation management on public lands. Users have little control over these management costs, which are the result of years of legislative direction from Congress and highly evolved bureaucratic management structures and processes reinforced by court rulings. While we can help, to expect users to suddenly bear these costs, or a substantial portion of them, is unrealistic. In some cases, agency administrative overhead already consumes 60% to 70% of appropriations. We would like to work with Congress to address both the revenue and cost side of the equation. I have made suggestions in this testimony on how to proceed on this dual track. Until the cost side is addressed, we reserve the right to oppose this and other recreation fee initiatives, including temporary reauthorization of fee demo. I realize there is some risk to making such a strong statement, but I am compelled to do so because the survival of the hard-working families that I represent is put at risk by the unfettered fee authority currently available to agencies under fee demo.

Fees should not be implemented everywhere just because agencies have the authority.

Many outfitters and guides are providing services to the public that are fundamental to the agencies' missions at a resource. Some of these outfitter operations are in very challenging business environments that have survived for years on their resourcefulness, wit and intuition. Margins are very thin for many of these operators. Another wave of fees would eliminate the recreation opportunities these operators provide to the public.

Recreation fees should not be implemented in these areas just because the agency has the authority to do so. We have already seen the quest for fees destroy previously successful outfitter operations because an agency was unrelenting in its demand when business went soft in the wake of 9/11. We thank the Secretary of Interior for urging restraint among her agencies during this difficult period and appreciate the extent to which most agencies cooperated.

Some outfitters are already paying higher fees in Park units as a result of agency cost recovery or concessions fee initiatives. Another layer of fees would seriously compromise some of these operations, especially where weather, fire or economic downturns have disrupted demand. The Buffalo National River is a good example. Canoe liveryies there are struggling with increased concessions fees and adverse weather conditions that have persisted for several years. Many are losing money after NPS raised minimum concession fees to 4% for the first \$100,000 and 7% for revenues over \$100,000. The state and county also collects 9% for sales and tourism taxes.

Improved public participation and oversight in fee initiatives is needed.

Two significant omissions in H.R. 3283 include:

- the lack of effective oversight of the fee implementation and expenditures, and
- inadequate public participation in setting and administering fees.

While collaboration is encouraged, there is no legally binding requirement for agencies to involve the public in a significant way. Unless this requirement is strengthened, the same inconsistent application and administration that has hampered support for the recreation fee demonstration program will likely continue. With over 200 groups, by some counts, organized to oppose the implementation of recreation fees, it is apparent that business as usual will not work.

The only accountability provision in the legislation is a provision in the purposes and guidelines that the agencies "should collect data and publish annually public documentation showing how the recreation fee program is administered." This level of disclosure is inadequate.

We are concerned that without better oversight both at the local and national levels, fees may be misdirected and used for purposes other than to benefit recreation. There have been runs on fee demo money that attempted to divert the money away from their original intent—reducing back-logged recreation maintenance. The Forest Service did not follow through on those initiatives, but it underscores the need for oversight, as well as, clearer policy direction.

The General Accounting Office Report of September 2003 found a lack of documentation of progress in reducing the Forest Service's maintenance backlog. Reducing this backlog was one of the primary justifications for fee demo. There is no question that much fee revenue has been used for this purpose, but the lack of documentation limits the extent to which progress can be measured.

Other examples of the need for better oversight come from the field. On the Salm-Challis National Forest, the Resource Advisory Committee was given a report of proposed projects for use of fee demo money in 2003, but the agency could not provide an accurate accounting of the expenditures for 2002 and did little to document progress on the projects initiated. Then, after promising last year to implement annual meetings of user group representatives to prioritize projects, the agency did not follow through with the meeting.

Recommendation on oversight and public participation—Recreation Fee Councils.

We recommend that the legislation authorize the Secretary for each agency to appoint members to State-level Recreation Fee Councils (members may be appointed by each Secretary in proportion to the acreage for each agency in the State) to oversee recreation fees where fee collections or expenditures for all agencies exceed \$200,000 annually. One agency Secretary could oversee the Fee Council with nominees offered by the other Secretaries. These Fee Councils would have the authority to oversee recreation fees in each state for all federal agencies and have binding authority to set fee levels, approve projects and oversee expenditures.

State-level oversight is preferable to a national-level council because it is closer to the action. The division of labor afforded by state Fee Councils is also appropriately scaled to the magnitude of the oversight task and ensures a higher level of public participation.

Resource Advisory Councils (RAC) are not adequate for public participation and involvement. They are advisory in nature and the agency has the authority to set the agenda for an RAC.

State-level Fee Councils, if representative of users' interests, will help develop stakeholder support for appropriate fees and avoid the overlap and duplication of fees that we see in some areas in the field. They will ensure that fees are meshed appropriately with state fee initiatives and that fee-sharing arrangements are facilitated. In some states, such as Montana, the State is attempting to regulate rivers on federal lands in a manner that overlaps federal regulation. In other areas, outfitters are subject to two or three agency fees without any corresponding improvement in the experience. Fee Councils should help avoid those problems.

We strongly recommend that legislation specify the make-up of state-level Fee Councils subject to appointment by the Secretary. They should be comprised of

- at least six (6) representatives from groups who are actually paying the fees, specifying no less than two representatives from the outfitting and guiding industry or a number that is in direct proportion to percentage of fees paid by each group;
- representatives from the federal agencies not to exceed four (4) representatives; and
- two (2) representatives nominated by the governor in each state, one from travel and tourism, and one attorney familiar with the various state and federal legal authorities.

Notice of fee implementation.

The notice and documentation provisions in S. 1107 for the implementation of recreation fees are also important to consider for inclusion as a provision in H.R. 3283. Currently, outfitters are finding that agencies sometimes announce fee increases at the onset of a season after prices have been published. On the Deschutes River in Oregon in March 2003, the BLM quadrupled fees on weekends effective that season with no significant input from outfitters. The justification for this increase was based solely on the agencies' management cost, which involves overlapping management by the State of Oregon. The increase was imposed at a time when outfitters were struggling through a recession and skyrocketing insurance rates. It underscores the frustration that we have with the unfettered authority in the current fee program which is perpetuated in H.R. 3283. The autocratic

implementation of the fee demonstration program in some areas is a reason we support state Fee Councils.

National Recreation Council

A national Fee Council (National Recreation Council) should be authorized:

- to provide oversight and national coordination for federal passes and for the overall recreation fee program (except for permit and NPS concessions contract fees);
- to review the State Recreation Fee Council's performance;
- to coordinate regional activities as may be appropriate;
- to develop documentation systems;
- to recommend best practices;
- to coordinate regional initiatives;
- to oversee spending of fees that are returned to the agency at the national level; and
- to resolve disputes.

Specific uses of fee revenue.

The first priority for recreation fee proceeds should be to benefit projects for users paying fees in the areas where the fees are being collected. Fees should not be used to offset appropriated revenues. Fee Councils should have the authority to discontinue fees when they are not needed or are not beneficial. These issues should be addressed in the legislation.

We strongly recommend that at least 15% of the fee revenue be returned to the agency for use at the national level to promote sustainable use and enjoyment of federally-managed lands.

Fee retention for permit fees.

We strongly support fee retention of outfitter and guide permit fees at the resource where they are collected if the provision that prohibits the total fee burden from crippling the opportunity for a profit is included in the legislation.

If reauthorized, we recommend a six-year authorization for recreation fees.

The requirement for periodic reauthorization of the recreation fee demonstration program has helped make the agencies more sensitive to users and more customer service-oriented. We support a six-year authorization if the oversight and policy issues outlined in this testimony are addressed accordingly. Periodic reauthorization allows for corrections and adjustments to the program based on the experiences of the preceding period.

Issues in H.R. 3283 that are specific to outfitters and guides.

1. **The repeal of existing permitting policies concerns us.** H.R. 3283 has the potential for significant impact on outfitters and guides because it repeals Section 4. of the Land and Water Conservation Fund, thereby repealing the current Forest Service and BLM permitting authority. Guest ranches and other small businesses operating on public lands may find themselves subject to a new, as yet undetermined, policy for permit issuance. There are also some potential conflicts with the National Park Omnibus Management Act. **Solution: We believe that the bill should make reference to existing agency permitting policies or follow the language authored by Sen. Craig in S. 1420, The Outfitter Policy Act. It should also defer to the National Park Omnibus Management Act of 1998 on outfitter concessions contract fees.**

2. **A provision should preclude overlays of fees from threatening the viability of outfitter and guide operations.** After several Congressional hearings where the overlap and duplication of fees have been brought to the attention of Congress, we still have areas where trips span agency boundaries where each agency is levying recreation fees. H.R. 3283 does not require fee consolidation in those cases.

At least two fees are authorized by H.R. 3283, which will apply to outfitters and which the agency has unilateral authority to set according to their own needs. Separately, the Forest Service and Bureau of Land Management (BLM) are proceeding with cost recovery initiatives for permit administration. In some areas, the Forest Service is trying to collect road fees in addition to permit fees. The National Park Service has a set of fees and cost recovery requirements for various authorities under the National Park Omnibus Management Act of 1998, some of which conflict with the provisions in H.R. 3283. **Solution: We strongly urge that any legislation include a provision that "prohibits the cumulative fee burden from permit fees, basic recreation fees, cost recovery and other fees levied on outfitter and guide operations from precluding a reasonable opportunity**

for a profit or successful business venture.”. These fees should also be consolidated into one predictable fee. Outfitter permit fees should not be subject to approval by the state Fee Councils, but standardized in each agency and subject to comment in the Federal Register.

3. **Recreation fees should not float from year to year throughout the term of a National Park Service contract.** Outfitters, who are required to meet obligations under NPS contracts, should not be subject to recreation fees that float throughout the term of the contract. When a proposal is accepted by NPS, an outfitter is required to meet their obligations and endure the associated overhead throughout the term of the contract. They cannot be expected to do so if the majority of revenue collected by NPS comes from a separate recreation fee (fee demo) that floats through the term of the contract. **Solution: Allow for a review of the franchise fee and the recreation fee after a five-year period, or immediately in the event of extraordinary circumstances.**

4. **The exemption for schools and academic institutions needs to be narrowed.** “Outings conducted for noncommercial educational purposes by schools or bonafide academic institutions” are exempted from basic recreation fees although some institutions run trips that are very similar to commercial trips. It is not clear to us why universities can collect fees for their educational services, but agencies are precluded from collecting a modest recreation fee for significant recreation activities. In some cases paying customers are included on trips that are accredited for course credit. Customers of commercial services provided by colleges and universities and customers of recreation activities should not be exempted from the basic recreation fee.

Mr. RADANOVICH. Thank you very much, Mr. Brown. I appreciate it.

Next is Mr. Robert Funkhouser, President of the Western Slope No-Fee Coalition from Dorset, Vermont.

Mr. Funkhouser, welcome to the Committee, and you may begin your testimony.

Pardon me. Robert, would you mind grabbing your neighbor's mike there. That would be great.

**STATEMENT OF ROBERT FUNKHOUSER, PRESIDENT,
WESTERN SLOPE NO-FEE COALITION, DORSET, VERMONT**

Mr. FUNKHOUSER. Thank you, Mr. Chairman. I would like the summarize my statement and have a full statement submitted into the Committee hearing.

Mr. RADANOVICH. Absolutely no problem.

Mr. FUNKHOUSER. Thank you very much.

Mr. RADANOVICH. Speak into that mike one more time for me.

Mr. FUNKHOUSER. Is that better?

Mr. RADANOVICH. Yes. I think it is fine. Thanks.

Mr. FUNKHOUSER. Mr. Chairman, I am Robert Funkhouser, President of the Western Slope No-Fee Coalition. The legislation before you authorizes the land management agencies to charge a basic access tax of Americans who simply put foot or tire on any one of the 640 million acres managed by these agencies. The Fee Demo Program long ago stopped being a user fee and became an access fee. It threatens to destroy the premise that the American public, not the management agencies, owns our public lands. The owner is the citizens of the United States who elected the Representatives and Senators who made up this body. If we allow the agencies to charge a fee or acquire a permit to enter these lands, we have given ownership of these lands to the agencies and have taken it away from the people.

Under H.R. 3283, access to these lands would now be a privilege you pay for and no longer a right. Although we do not oppose a fee program for the National parks, we do have serious concerns about the incentive this authority brings with it to maximize revenue beyond what is fair and equitable to American taxpayer. The public knows full well the difference between the National parks and lands and waters managed by these other agencies.

To start with, they know that the National parks are where the toll booths are. The National Parks is where it costs \$50 in some locations to enter with their families. The public knows that there is a vastly higher level of infrastructure that needs to be maintained in the parks and a higher level of service. Yet even with fee retention authority in the last 8 years, the National Parks are still in financial trouble. Visitation is down at least partially due to the cost of the entrance fees, and the National Park Service is cutting back on services.

Much of the budgetary woes that plague the National parks are due to the enormous maintenance needs of its aging infrastructure. The fundamental dilemma is does the American public demand that all 640 million acres of public land be managed as National parks? Is the public really demanding that the land management agencies spend hundreds of millions of taxpayer dollars to build capital infrastructure to enhance what God has already given us, or would the public and the local land managers be better served by taking a course that emphasizes the use of our limited resources to maintain what we already have first, to adhere to fiscal responsibility in emphasizing maintenance and operation and the courts that uphold public ownership and public access and at the same time gives our local land managers the tools they need to accomplish their mission?

The more the Government develops our public lands, the more maintenance is required. The more fees that are imposed, the fewer number of people that can enjoy the special places. In this vicious circle, we lose access to our National areas. The use of appropriated funds as well as fee revenues to establish a higher level of capital infrastructure and service on public lands would directly compete with the private sector in communities adjacent to these lands. The loss of tourist dollars, jobs, and tax revenues in these local communities to taxpayer subsidized land management agencies and their partners would be irreplaceable.

Opposition to the current Fee Demo Program has been overwhelming and widespread. It is clear that even more Americans will oppose this new National lands access tax that H.R. 3283 represents.

Fee demo has been a financial failure as well. The General Accounting Office recently audited the Fee Demo Program in the Forest Service. They found that in Fiscal Year 2001, the Forest Service used \$10 million of appropriated funds for administration of the Fee Demo Program, and the cost to manage the programs is over 50 percent.

H.R. 3283 revokes the ability of our seniors to purchase a lifetime Golden Age passport for entrance into National parks. H.R. 3283 would make criminals out of taxpayers that calls for a Class B misdemeanor for those who enter public lands without a

pass. Citizens should not face jail time or a \$5,000 fine for simply walking in the woods without paying a five dollar fee.

Fee demo is not the solution and neither is H.R. 3283. The solution is a matter of will, the will to hold the agencies truly accountable for the appropriated taxpayer dollars that they already receive every year, the will to tear down the fire wall between capital infrastructure budgets and the recreation budgets so that those millions can be used by for backlog maintenance and operations, not for building more visitor centers and paved parking lots that only add to the maintenance needs, the will to find effective avenues for appropriated dollars to get to the ground, the will to restrict the pilfering of recreation operations and maintenance budgets for other purposes, the will to create incentives that encourage the agencies to identify their maintenance backlogs, encourage them to be addressed, and the will of Congress to ultimately adequately fund these agencies through the appropriations process.

We believe that the public will only support fees, except for the National parks, for services specified in the Land and Water Conservation Fund Act. All funding for those agencies should come from our tax dollars through the appropriations process with more oversight and not less. We urge you to recognize the distinct differences between the National parks and the land managed by the other agencies. We urge you to choose the financially responsible course to maintain what we already have first, to stop the spiral of Government growth, and to hold public ownership of public lands.

We ask you not to support this legislation, H.R. 3283.

Mr. Chairman, thank you very much for the opportunity, and I will be happy to answer questions.

[The prepared statement of Mr. Funkhouser follows:]

**Statement of Robert Funkhouser, President,
Western Slope No-Fee Coalition**

Mr. Chairman and distinguished members of the Subcommittee;

Thank you for the privilege of testifying before you today concerning H.R. 3283, The Recreational Fee Demonstration Program, and Public Ownership of Public Lands.

I am Robert Funkhouser, President of the Western Slope No-Fee Coalition, a coalition that has come to represent hundreds of organizations and millions of Americans nationwide in advocating for the continued tradition of public ownership of public lands and the rejection of the access tax approach to public land management. Our mission is to end the Recreational Fee Demonstration Program, to require more accountability within the land management agencies, and to encourage Congress to adequately fund our public lands.

The current Fee Demo program began as an appropriation rider in 1996 and has been extended five times through the appropriations process. After eight years of a demonstration program it is clear that the program has not been a success outside of possibly the National Park System. After eight years it is clear that Americans do not support fees to access federally managed public land and waters. It is clear that Americans prefer fiscal responsibility to the seemingly endless use of appropriated funds for capitol infrastructure. And after eight years it is clear that Americans will not give up their ownership of their public lands to become customers and trespassers.

The legislation before us today, H.R. 3283 authorizes the National Park Service, as well as the Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service, and the Bureau of Reclamation, to charge a basic access tax of Americans that simply set foot or tire on any of the 640 million acres managed by these agencies. The Fee Demo Program, as we know it, long ago stopped being a "user fee" and became an access or entrance fee. The premise that the American public, not the management agencies, owns our public lands, and pays to maintain them

through our taxes is alive today as much as ever. The owner is the citizen of the United States who voted and sent to Congress the Representatives and Senators who make up this body. Congress then established agencies to manage certain Forests and public domain lands, to provide fair, equitable means by law and regulation for the goal and benefit of settlement, resource development and recreation activity. Every citizen of the United States has the statutory right as well as the Constitutional heritage to enter the forests and public domain lands to explore, or recreate in those resources. If we allow the agencies to charge a fee or require a permit to enter these lands then we have given ownership of the lands to the agencies and taken it away from the people. Under H.R. 3283 access these public lands would now be a privilege you pay for and no longer a right. The Fee Program as we know it today and even more so with this proposed legislation represents an across-the-board double taxation on the taxpayer.

The National Parks differ greatly from the Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Forest Service, and Bureau of Reclamation in regards to fee collection authority. The Parks, unlike the other agencies, have a long history of charging entrance fees. They have the existing collection infrastructure, a higher level of development and service that the public expects.

Fee authority for the Parks is about fee retention. It is about allowing the National Park Service to retain the fees that the agency has been collecting for decades. In the BLM, the Fish and Wildlife Service, and the Forest Service, the Fee Demo Program is about establishing new fees and it is this new authority that has been so controversial and unpopular that we are opposed to.

Although we do not oppose a fee program in the National Parks, (but not the language of H.R. 3283), we do have serious concerns about the incentive this authority brings with it to maximize revenues beyond what is fair and equitable to the American taxpayer. The National Park Service, under Fee Demo, has doubled and sometimes tripled the entrance fees at some National Parks. On top of that the agency now charges for such basic services as parking and mass transportation. The agency is also charging additional fees for such activities as backcountry hiking and trail head use.

The public knows full well the difference between the National Parks and the lands and waters managed by the Bureau of Land Management, U.S. Fish and Wildlife Service, Bureau of Reclamation, and the Forest Service. To start with they know that the National Parks is where the tollbooths are. The National Parks is where it costs \$50.00, in some locations, to enter with their families. The public knows that there is a vastly higher level of infrastructure that needs to be maintained in the Parks and a higher level of service.

Yet, even with fee retention authority for the last eight years the National Parks are still in financial trouble. Visitation is down, at least partially due to the cost of entrance fees, and the NPS is cutting back on services. Much of the budgetary woes that plague the Parks is due to the enormous maintenance needs of its aging infrastructure.

As opposed to the implementation of the Recreational Fee Demonstration Program in the National Park Service, Fee Demo has proven to be a failure in the Forest Service, BLM, and Fish and Wildlife agencies. These fees were formerly limited to developed campgrounds and a few highly developed recreational sites carefully defined by Congress in the Land and Water Conservation Fund Act of 1965. Under Fee Demo, fees have been allowed to spread to hundreds of undeveloped and minimally developed areas. Americans are now being charged fees for such basic services as picnic tables, roads, and trails, and for access to vast tracts of undeveloped public land.

The fundamental dilemma is, does the American public demand that all 640 million acres of public land be managed as National Parks as H.R. 3283 calls for? Is the public really demanding that the land management agencies spend hundreds of millions of taxpayer dollars to build capital infrastructure to "enhance" what God has already given us?

Or, would the public and the local land managers be better served by taking a course that emphasizes the use of our limited resources to maintain what we already have first? To adhere to fiscal responsibility in emphasizing maintenance and operations over uncontrolled growth. A course that upholds public ownership and public access and, at the same time, gives our local land managers the tools they need to accomplish their mission.

In all the thousands of contacts I have had with organizations, individuals, local and State governments in the last few years on this subject I do not recall anyone advocating for the kind of agency growth that the incentives created by this legislation would produce. The incentive to "build it and they will pay" is clearly not in the public's best interests. Nor, can we as a nation afford to maintain that level of

capital infrastructure. Again, look what's happening to the Parks. It becomes a vicious circle: The more the government develops its public lands—the more maintenance is required—the more fees are imposed—the fewer number of people who can enjoy these special places. And in this circle, we lose access to our natural areas. This “Spiral of Government Growth” is also known as “Empire Building.” Examples of this are widespread.

The BLM at the Escalante National Monument are building three new visitor centers. One alone costs over \$10,000,000. At the same time Monument managers want to start charging for backcountry use and car camping because they do not have the funds to deal with those uses.

At the Maroon Bells in Pitkin County, Colorado, the Forest Service has built a toilet for \$1,600,000, but has to charge a fee because they say they don't have the funds for toilet paper.

The Forest Service at Yankee Boy Basin in Ouray, Colorado, threatened to close this world class Jeeping and hiking area unless the Fee Program was allowed citing lack of funds for toilet maintenance. The following year the Forest Service spent over \$650,000 to expand a concessionaire-run campground across the highway.

Furthermore, the use of appropriated funds as well as fee revenue to establish a higher level of capital infrastructure and service on the public lands allowed by this legislation competes directly with the private sector located in the communities adjacent to these lands. The loss of tourist dollars, jobs, and tax revenue in these local communities to taxpayer-subsidized land management agencies or their partners would be irreplaceable. Many of these local governments are already hurting because of the underfunding of PILT.

H.R. 3283 is a regressive tax. It puts the burden of public land management on the backs of Americans who live adjacent to or surrounded by federal land. In rural counties, such as mine in western Colorado, where 87% of the land is federally managed, public lands are an integral part of life. To mandate that those local residents carry a heavier burden of funding our land management agencies is unjust and unfair. The nation as a whole has and should continue to provide adequate funding. There is much that the Federal Government funds that I will never benefit from, for instance most discretionary spending.

H.R. 3283 is also a regressive tax because it discriminates against lower-income and working Americans. A Forest Service study showed that 23 percent of lower-income Americans no longer visited our public lands due to the fees. It stated that 49 percent of all Americans regardless of income use the public lands significantly less due to the fees.

Opposition to the current Fee Demo program has been overwhelming and widespread. It is clear that even more Americans will oppose this “National Public Lands Access Tax” that H.R. 3283 represents. From New Hampshire to California, from Idaho to Arizona, Americans from all walks of life and all political persuasions are raising their voices against this program. Resolutions of opposition have been sent to Congress by the State Legislatures of Colorado, Oregon, California, and New Hampshire. Thirteen counties in western Colorado alone, as well as counties, cities, and towns across the nation have passed resolutions opposing the program. Hundreds of organized groups oppose Fee Demo, and civil disobedience to it is rampant.

Fee Demo has been a financial failure as well. The General Accounting Office recently released the findings of an audit concerning the Fee Demo program in the Forest Service (GAO-03-470). They found that in FY2001 the Forest Service used \$10 million of appropriated funds for administration of the Fee Demo program and to augment collection costs. This \$10 million, almost one-third of their total fee revenues, had been previously unreported in the agency's annual report to Congress. The GAO also found that the agency had been under-reporting the costs of administration, collection, and fee enforcement. Although the Forest Service claimed the program was a success, with gross revenue in FY2001 of \$35 million, the truth is that the program brought in far less than \$15 million because the cost of overhead, collection, and enforcement was well over 50%.

Until the GAO audits the BLM and Fish and Wildlife Service Fee Demo programs, their true financial results are uncertain, but, as it stands, the net revenues for these two agencies in FY2001 are estimated at less than \$4 million.

The Fee Demo program has changed the mission of the land management agencies from one of resource management and stewardship to one of revenue generation. It allows the three agencies to appropriate their own funds without any congressional oversight. This creates a perverse incentive to maximize revenue at the public's expense, and has resulted in excesses of implementation and enforcement, such as charging fees for unimproved backcountry areas, forest wide fees, simple picnic tables, and parking.

Under Fee Demo, it is not just the public that has suffered. The agencies are experiencing an increasingly strained relationship with local communities and the public as a whole. The land management agencies are a tentative guest in many communities to begin with. When they assume a heavy enforcement role, as Fee Demo forces them to do, it erodes any positive relationship that had been built. Gene Chandler, the New Hampshire Speaker of the House, has said, "This program drives a wedge between local governments and public on one hand and the federal land management agencies on the other." The longer the wedge stays in place, the harder it will be to repair the damage. Volunteerism suffers and community involvement suffers.

H.R. 3283 further encourages the focus on revenue generation over stewardship and service. H.R. 3283 revokes the ability of our seniors to purchase a lifetime Golden Age Passport for entrance to our National Parks. Seniors on limited budgets will now have to purchase an annual pass to enter not only the Parks, but to access any of our public lands.

H.R. 3283 would make criminals out of taxpayers. The legislation calls for a Class B misdemeanor for those that have entered upon public land without a pass. It is clear that compliance with Fee Demo is, indeed, dismal. The program has not won over the hearts and minds of the public and a Big Stick approach will only alienate more Americans. If a \$100 fine has been insufficient to deter the public from using their public lands, a \$5,000 fine most likely will. Citizens should not face jail time or a \$5,000 fine for simply walking in the woods without paying the \$5.00 fee.

H.R. 3283 would take away the Constitutional presumption of innocent until proven guilty. Again, in an effort to enforce the unenforceable our Constitutional protections are being trampled on.

H.R. 3283 is forcing a square peg in a round hole.

The American taxpayer has already done their part. Surely we, as a nation, are above charging for public restrooms, dirt roads, parking and picnic tables.

We believe that Fee Demo is not the solution. Nor is it all about more appropriated funds. There are already funds available that with re-prioritization can be used to address maintenance needs and to keep public lands operating.

We firmly believe that the solution is a matter of will.

"The will of Congress to hold the agencies truly accountable for the appropriated taxpayer dollars that they already receive each year. Again, the GAO has reported that the Forest Service "has not been able to provide Congress or the public with a clear understanding of what the Forest Service's 30,000 employees accomplish with the approximately \$5 billion the agency receives every year." It is time to bring "Sound Fiscal Science" to public land management.

"The will of Congress to tear down the firewall between the Capital Infrastructure budget and recreation budgets so that those millions can be used for maintenance and operations, not for building more visitor centers and paved parking lots that only add to the maintenance needs of the agencies.

"The will of Congress and the agencies to find effective avenues for appropriated dollars to get to the ground. Operations and maintenance at the local level should be paramount.

"The will of Congress and the agencies to restrict the pilfering of recreation, operations, and maintenance budgets for other purpose so that the local agency managers have the funds they need to fulfill their goals and objectives.

"The will of Congress to create incentives that encourage the agencies to identify their maintenance backlogs and encourage them to be addressed.

"And the will of Congress to adequately fund these agencies through the appropriations process. Adequate funding goes hand in hand with accountability and re-directing priorities.

Fee Demo is an attempt to introduce the concept of "direct taxation" into the management of our public lands, completely reversing the previous system of public ownership supported by public funding. The Land and Water Conservation Fund Act (LWCF) of 1965 contained carefully crafted language defining what services were appropriate to charge fees for, such as developed campgrounds and mechanized boat launches. It also specified what services are prohibited from charging a fee, such as roads, visitor centers, scenic overlooks, toilets, and picnic tables either singly or in any combination. Those guidelines served the American public well for over thirty years.

We believe that the public will support fees, for the agencies outside of the National Parks, for services only as specified under the Land and Water Conservation Fund Act and that the provisions restricting fees should be kept intact. We believe that all funding for these agencies should come from our tax dollars, through the appropriations process with more oversight, not less.

We urge those of you on this Committee to recognize the distinct differences between the National Parks and the land managed by the other agencies. We urge you to choose the financially responsible course, to maintain what we already own first, to stop this "Spiral of Government Growth," and to uphold Public Ownership of Public Lands. We ask you not to support this legislation, H.R. 3283.

Mr. Chairman, and members of the Subcommittee, thank you for your consideration of this important issues.

WESTERN SLOPE NO-FEE COALITION

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JULY 29, 2003

APPENDIX 1

General Accounting Office Report GAO-03-470 Highlights:

TWO-THIRDS OF FS OPERATING COSTS UNREPORTED.

In what amounts to an absence of accountability on the part of the Fee Demo managers, the Forest Service has failed to report in its annual Fee Demo Progress Reports to Congress that (in 2001) close to \$10 million in appropriated funds was used as a taxpayer subsidy to administer the program. (GAO p.32)

This alone triples the \$5 million which the Forest Service was declaring as the true cost of collection and administration for the program. This, \$15 million for cost of collection and administration represents, by itself, 43% of the Forest Service's reported Fee Demo gross revenue of \$35 million in FY 2001. The Forest Service is limited by Congress to 15% for cost of collection expenses.

THE FS DOES NOT ACCOUNT FOR ALL FEE COLLECTION COSTS.

The Forest Service does not report commissions to vendors for selling Fee Demo passes (GAO p.25-27). In the Adventure Pass fee program, the Pacific Northwest and Sedona's Red Rock fee sites in Arizona, among others, the Forest Service uses private vendors to help sell Fee Demo passes. In the Adventure Pass fee program, vendors buy a \$5 daily pass discounted to \$4 and a \$30 annual pass for \$27.

"Forest officials at the locations where this was occurring could not tell us the total amount of vendor discounts that the agency has permitted. Excluding vendor discounts from the cost of collection is also inconsistent with federal financial accounting standards and the U.S. Department of Agriculture financial manual. These standards require that total revenues and expenses be reported" (GAO p.25-26)

Although the Forest Service did not make vendor figures available to the GAO the figures were obtained, in 2002, through FOIA for the Adventure Pass fee program. Vendors sold 56% of all passes in FY2001 and those sales represent hundreds of thousands of dollars that had gone unreported as cost a collection in one fee area alone. It is unknown what this figure might be nationwide.

OTHER COSTS OF COLLECTION ARE HIDDEN

A percentage of the \$8.6 million categorized as program-operations in the FY 2001 Annual Report to Congress is actually Fee Demo administrative overhead. This increases the cost of operating the program (GAO p.32).

Local Fee program managers have been inconsistent with their categorizing of costs of collection. Costs related to fee enforcement and cost of collection had been reported in other categories. This also raises the costs of collection higher (GAO p.7 and p.17).

BOTTOM LINE: FEE DEMO IS NOT WORTH IT

The Forest Service gross Fee Demo revenue for FY 2001 was over \$35 million (GAO p.6). We must subtract the reported cost of collection, 5,051,000 (GAO p.9), the unreported use of \$10 million of appropriated funds to subsidize the program (GAO p.32), the unreported vendor commissions nationwide, and a further \$4.6 million (this represents the amount raised at some Fee Demo sites that already produced fee income [campgrounds, boat launches, etc.] before Fee Demo began in 1997) (April 2002 interim report to Congress on Fee Demo, p.23). The Forest Service claims the program is a success with gross revenues of \$35 million. The bottom line is that the program brings in far less than \$15 million and the cost of overhead, cost of collection and the enforcement is well over 50 percent. The public has rejected the notion of Fee Demo and financially it is of little or no value to the American taxpayer.

Until the General Accounting Office audits the Bureau of Land Management and U.S. Fish and Wildlife Service's Fee Demo programs the amount of cost of collection and the use of appropriated funds for program management in those agencies remains unclear. As it stands, the net revenues for the BLM and USFWS combined is less than \$4 million.

The Forest Service has pointed to backlog maintenance needs as its justification for the program. The General Accounting Office reports that the Forest Service puts less priority on paying down the backlog than other agencies and does not even know how much Fee Demo revenue they spend on the backlog. In fact, the agency does not know how large the backlog really is (GAO p.4,19-20,22). The Forest Service continues to put its emphasis instead on capital infrastructure.

Western Slope No-Fee Coalition

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July 29, 2003

Appendix 2

Cost benefit analysis of the Recreational Fee Demonstration Program of the BLM, USFWS, and FS for FY2001.

All information is taken from the April 2002 Interim Report to Congress (IR), the 2001 Annual Report(AR), and the General Accounting Office report GAO-03-470 (GAO). References to the GAO report will include corresponding page numbers. Any other sources will be noted.

U. S. Forest Service:

Gross Revenue (AR)	\$35,261,047.00	
Unreported Vendor Revenue Est. (GAO-p. 25-26)	+ \$951,468.00	
Total Gross Revenue FY2001	\$36,212,515.00	\$36,212,515.00

COST OF COLLECTION AND OVERHEAD

Reported Cost Of Collection (AR)	\$5,100,000.00
UNREPORTED COST OF COLLECTION	
Inconsistent Collection Reporting Est. (GAO-p. 17)	\$1,000,000.00
Administrative Overhead In Operations (GAO-p. 32)	\$860,000.00
Vendor Costs Unreported Est. (GAO-p. 25-26)	
Enterprise Forest	\$369,868.00
Northwest Forest	\$201,600.00
Southwest Region	\$180,000.00
Other Vendor Costs	\$200,000.00

Unreported Appropriated Funds Used To Bolster Fee Revenues (GAO-p. 31-32)	+ \$10,000,000.00
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Total Cost of Collection And Overhead	\$17,911,468.00	- \$17,911,468.00
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Total Net Fee Demo Revenue	\$18,301,047.00
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Pre Fee Demo LWCFR Revenues Included In FY2000 Fee Demo Revenues. (IR)	- \$4,600,000.00
Revenues Collected Under The Land And Water Act Before And After Fee Demo (Campgrounds Etc.). Projected To FY2001	

Total Added Revenues From Fee Demo Tax-Forest Service	\$13,701,047.00
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U. S. Forest Service Percentages

Percentage Of Cost Of Collection vs Total Gross Revenue	50%
Percentage Of Cost Of Collection vs Total Revenue	130%
Percentage Of Forest Service Under Reporting Of Cost Of Collection And Overhead To Congress	351%

Bureau of Land Management:

Gross Revenues (AR)	\$7,543,274.00
Reported Cost Of Collection	- \$2,777,448.00
Unreported Cost Of Collection	Amount Unknown
Vendor Costs Unreported	Amount Unknown
Unreported Appropriated Funds Used To Bolster Fee Revenues	Amount Unknown
Total Net Fee Demo Revenue	\$4,765,826.00
Pre Fee Demo LWCFA Revenues Included In FY2000 Fee Demo Revenues. (IR)	-\$2,200,000.00
Revenues Collected Under The Land And Water Act Before And After Fee Demo (Campgrounds Etc.). Projected To Fy2001	
Total Added Revenues From Fee Demo Tax-BLM	\$2,565,826.00

BLM Percentages

Percentage Of Cost Of Collection vs Gross Revenues	37%
Percentage Of Cost Of Collection vs Total Revenues	108%

U. S. Fish And Wildlife Service:

Gross Revenues (AR)	\$3,828,451.00
Reported Cost Of Collection (AR)	\$944,847.00
Unreported Cost Of Collection	Amount Unknown
Vendor Costs Unreported	Amount Unknown
Unreported Appropriated Funds Used To Bolster Fee Revenues	Amount Unknown
Total Net Fee Demo Revenues	\$2,883,604.00

Pre Fee Demo LWCFA Revenues Included In FY2000 Fee Demo Revenues (IR).	- \$1,900,000.00
Revenues Collected Under The Land And Water Act Before And After Fee Demo (Campgrounds Etc.). Projected To FY2001	

Total Added Revenues From Fee Demo Tax-Fish And Wildlife Service	\$983,604.00
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U. S. Fish And Wildlife Service

Percentage Of Cost Of Collection vs Gross Revenues	25%
Percentage Of Cost Of Collection vs Total Revenues	96%

Notes

· Both revenues and cost of collection for passes sold by vendors have been going unreported by the Forest Service according to the GAO. This is in violation of Federal Financial Accounting Standards.

The Forest Service did not make records of Vendor sales available to the GAO for this audit, but these vendor records were obtained through FOIA for the Enterprise Forest. Vendor cost of collection and revenue were estimated based upon these numbers and percentages as well as research done in each region.

· Administrative Overhead In Operations by using 10% of \$8,600,000 (GAO p. 32).

· Inconsistent Collection Reporting is an estimate.

· LWCFA Revenues represent revenues from sites like campgrounds that collected fees before fee demo under the LWCFA and will continue to charge fees after fee demo has expired. These funds will continue to go to the LWCFA and therefore should not be taken into account by fee demo revenues.

· The GAO has not done an audit of the BLM or USFWS. The scale of use of appropriated funds to bolster fee revenues is unknown. It is also uncertain if cost of collection figures are complete.

· Total net revenues for the BLM and USFWS is under \$4,000,000.

Mr. RADANOVICH. Thank you, Mr. Funkhouser. I appreciate your testimony.

I am going to ask you each of you a couple of questions for the record.

Mr. King, I wanted to start it off by asking you in your opinion what has caused so much hostility against the Rec Fee Demo Program, if you can outline that for me.

Mr. KING. Well, that is very difficult to characterize the position of a whole lot of other people, and we certainly understand the criticisms of the program, and I think much of it justified. I think that I have heard it said about the Forest Service that they made the mistake of hearing about this fee demo program and they thought it was a fee demo program, and, consequently, they tried a lot of experimental approaches, many of which did not pan out. I think the agencies have realized the error of their ways in many

respects, and I think they are taking steps, have taken steps, to correct this.

Certainly nobody likes to pay fees. I don't. I resent it when the gas tax goes up, but I also understand that sometimes the cost of progress is involved in those fees and I think we probably have not done a good enough job stressing the benefits that result from the revenue that has been collected through fee demo. I think the fact of the matter is there have been improvements on the Federal lands, improvements to make them more attractive, more appealing to visitors, and I think we really have not done a good enough job of telling the public about that.

Mr. RADANOVICH. Thank you. In your opinion, Mr. King, have gateway communities seen an increase or a decrease in business because of the new or increased fees?

Mr. KING. I can't identify a decrease, certainly, and again, I think the point should be made that while anything that adds to the cost of vacations or the work place or anything else is a disincentive to continue that activity. Economists would probably tell you that it depends on what the return is, and I think it depends on what you are getting for your money. If you are getting better services, if you are getting more attractive, more usable facilities, I don't think it is going to have a significant negative effect on visitation. It may actually increase it.

Mr. RADANOVICH. One more for you: If a National and/or a local fee review and oversight bodies were established, do you have an opinion as to who should be named to them?

Mr. KING. I think certainly I would strongly urge that concessioners and permittees be included. You have heard many of the problems that they have from Mr. Brown. We would endorse those concerns. I think they should be part of it. I think leaders in the gateway community who are affected by visitation to the public lands should be included, and I think probably somebody from the state and local tourism offices should be involved as well. They, better than anyone else I think, know the impact that fees have on the levels of visitation.

Mr. RADANOVICH. Thank you, Mr. King. I appreciate that.

Ms. Jourdain, in your testimony, you endorse the creation of a new National recreation fees advisory board with authority to review complaints and appeals. Can you expand on this and describe your vision of who would make up this board; and, second, are you concerned that such a board might amount to little more than another layer of bureaucracy?

Ms. JOURDAIN. Well, we would certainly not want another layer of bureaucracy. I think creating a board like that would give users input, and I think when you have users included in the board like that in the beginning, then they are part of the process and therefore feel some ownership into the overall fee program. So I think I would certainly include those folks that Aubrey just mentioned, and I would also include some users in that group.

Mr. RADANOVICH. Very good. Thank you.

Mr. Denner, as a member of the BLM's technical review team, has BLM sought the TRT's advice on the cost and how they anticipate that they will fund their species monitoring program for next year, 2005?

Mr. DENNER. We have asked that question. I think they are hoping that they will see a significant increase in appropriated money next year. If they don't, they have no other source to funding it but user fees.

Mr. RADANOVICH. Is there a way in your mind that the BLM might justify using rec fee monies to fund their monitoring study if the alternative would be further closures and less visitor access into the ISDRA?

Mr. DENNER. Unless I misunderstand your question, you are asking me if there is a way that we can use the money I pay to do more studies to shut me down.

Mr. RADANOVICH. Well, if the alternative was to shut it down if those studies are unfunded.

Mr. DENNER. No. I understand what you are saying now. I really don't think that the people that recreate there object a hundred percent to using user fees for environmental studies. We see that as a necessary evil; however, to fund a hundred percent of those kinds of efforts out of user fees without building a new camping pad or installing a new toilet facility at that recreation area, you know, it takes the pendulum all the way to one side, and we gain no benefit and we are actually helping to do things that could reduce our opportunities. You know, that is not fair.

Mr. RADANOVICH. All right. Thank you very much.

One further question.

Mr. KING. Mr. Chairman, if I could just add one comment.

Mr. RADANOVICH. Sure.

Mr. KING. I think it is absolutely critical what Mr. Denner is saying, and that is I think the public, the users, must see the benefits.

Mr. RADANOVICH. Correct.

Mr. KING. Of their payments. I think that is critical to any recreation fee approach.

Mr. RADANOVICH. Which makes it not an access fee, but actually what a user fee should be, I think. Right?

Mr. Denner, one more question: Can you give me an idea what the fees are? It was mentioned that they are tripled. What are the fees now?

Mr. DENNER. Yes. Since the program started, the fees typically for a person to camp there for a weekend would be \$10 and for an annual pass would be \$30. Last year, the weekend camping fee went up to \$25, and the annual pass is now \$90, and under the cost recovery program, that just covers what it takes to run that facility. Not a single new improvement has been made, yet we can spend a million dollars for an environmental study.

Mr. RADANOVICH. Mr. Brown, if the Committee were to move forward with some type of permanent authorization for the Rec Fee Program, what specific side bars would you recommend for the Forest Service and the Bureau of Land Management?

Mr. BROWN. Well, the first side bar, I think would be, at least for outfitters and guides, we need some statement that mentioned that controls the total fee burden from all forms of fees, and certainly the language that has been in National Park Omnibus Management Act that says that we would have to prohibit the fees. The total fee burden can't prohibit the reasonable opportunity for a profits is the kind of language that I think would work there.

I think that I recommended in my written testimony that the fees be used for necessities and for basic projects where the user does see a benefit, because I share some of the same concerns. One of the things, concerns, our people have in the field is that the fee is established, and once the project is completed, then the agency starts looking around for other ways to spend the money, and it is not always spent appropriately. And so that is why I think this local state-level fee council that could help coordinate the fees among the different Federal agencies and that could also provide better oversight of the fees would be very helpful there, and I think if you have that kind of thing with better policy direction in the bill, then you will have better stakeholder involvement and buy-in.

Mr. RADANOVICH. Thank you. Mr. Brown, also could you offer this Committee a specific example of how the Rec Fee Program has negatively affected an outfitter and what could be done to prevent these negative impacts from happening again in the future?

Mr. BROWN. Well, in the Deschutes River last March, the BLM walked in and told the outfitters it was going to quadruple their fees on weekends when their prices were already set. So it was very hard to recover that. I think it was too steep to begin with. The fees there, when I see fees reaching 15 percent of gross for seasonal business, the only way that the outfitter can survive that is when the economy is booming or doing quite well. That is a good example.

The language in S. 1107, the Senate side, requires a year notice and notice in the Federal Register before fees are increased, and so I think that sort of notice should be required; and again, I think the local involvement in setting the fees will help preclude some of that negative effect.

Mr. RADANOVICH. Very good. Thank you.

Mr. Funkhouser, you made it pretty clear that you believe that funds derived from the Rec Fee Program are no longer associated with user fees, but have been, in fact, transformed into an access fee, and therefore should be terminated for BLM, Fish and Wildlife and U.S. Forest Service. That being said, why do you view those same funds as appropriate for, say, the National Park system? What is your view on the difference?

Mr. FUNKHOUSER. Well, to begin with, outside of the National parks, I don't think Americans oppose use fees, for instance, for services, specifically for campgrounds, mechanized boat launches that are specified under the Land and Water Conservation Fund Act. With that said, the parks vary greatly, as I mentioned in my testimony, from the other land management agencies, the higher level infrastructure, the higher level service that the public has come to expect, the historic use of entrance fees to the parks in some places since 1908.

For us, also, we are supporting Senate Bill 1107 over on the Senate side in part as a compromise to move this issue forward and in part that the Park Service should retain those fees. The Park Service, it should be important to point out, has brought in 80 percent, roughly, of all the fee revenues, and that has not been brought out today, fee revenues under the Recreational Fee Demonstration Program. It has been vastly successful financially largely because it has been able to retain the fees, but of course, as I

pointed out in testimony, that also brings with it—and again, this has to do with outfitter permits across the board, the incentive the fee retainage brings with it inherently to the agency.

Now, the Park Service has been dealing with collecting fees, has limited number of access points, for some time. I think with oversight and control, I think they can do a good job with the situation. Outside of the National Park Service, the BLM, Fish and Wildlife Service, Bureau of Land Management, and Forest Service, the incredible amount of size of land, incredible amount of access points, the difference between the gateway communities to local communities and those lands which in some cases, like in my county, it is 87 percent BLM and Forest Service, is vastly different than the National Park Service. The impacts of the fees system together with the incentives that it gives the agencies really produces a negative effect, not just in a sense a double taxation, but changes to relationship to the land, and the management agencies in those local communities is totally different.

Mr. RADANOVICH. Thank you. Since the Rec Fee Demo program was implemented, do you believe that you have benefited from any improvements on Federal lands that were a result of the rec fees? Have they provided improvements?

Mr. FUNKHOUSER. I think that, well, financially, the Rec Fee Program in these other agencies has been questionable at best. As I mentioned 50 percent, the GAO found, including appropriated funds for administration and cost of collection in the Forest Service, and we don't know how much in the other agencies, is limited. You know, it has essentially become a way for the agencies to get money onto the ground. If you are using 33 percent of your gross revenues is appropriated dollars to administer the program, what the program has become is essentially an avenue to get revenues on the ground. In other words, we will pay to run this program, but you have to collect it from the public.

Essentially what happens is the public is loser again, and that is a problem, and I would like the point out, also, 3283 does not address any of the issues that have been brought up and have been a mistake. I know the agencies have said we have learned by our mistakes, but then they go ahead and ask for full-blown authority above and beyond what the current Fee Demo Program is today.

What we have attempted to do both in the Senate and here in the House is bring alternative to that suggestion in a full-blown. We need to define what the sideboard should be, what is appropriate to charge for a fee and what is not. I think the land and water, the reason we point to the Land and Water Conservation Fund Act is people are still very much used to that where campgrounds are improved and that certain specific uses, amenities on public lands are not allowed to be charged for, roads, water fountains, picnic tables, bathrooms, visitor centers, either singularly or in any combination. And I think those are defined guidelines accepted by the public. Again, we suggest very heavily that the agencies—although we suggested fees for that were appropriate because the public is willing to pay for an extra service like that, that retainage of the fees by the agency still creates the incentive to use appropriated dollars inappropriately to continue to build infrastructure or to pull money elsewhere for other uses.

I think that it doesn't solve the problem of funding and maintenance backlog, which has not been a priority of the agencies under the Fee Demo Program. So I think that while allowing to charge for those services, that the money should still come back to Congress and still should be allocated through the appropriations process with oversight. Fee Demo allows vastly too much freedom of movement and money in agencies that have accountability problems to begin with. Although they are beginning to be addressed, we feel that, I think, tighter Congressional control is needed.

Mr. RADANOVICH. Very good. Thank you.

One last question for you, Mr. King. Have gateway communities been forced to compete with Federal lands that have enhanced their recreation opportunities as a result of the Fee Demo Program?

Mr. KING. I don't know of any examples of competition along that line. I think it is really more a case of the gateways benefiting from the increased appeal, the increased attractiveness of the public lands that results from the investment of those fee demo revenues in visitor service facilities and other projects on the lands. I have not really detected competition. I think the gateway communities with which I am familiar certainly would welcome improvements on the Federal lands that add to their visitor appeal.

Mr. RADANOVICH. Very good. Thank you.

Those are the last of my questions. I want to thank—

Mr. DENNER. Mr. Chairman, could I add something to that statement?

Mr. RADANOVICH. Yes.

Mr. DENNER. I serve on the BLM's California Desert District Advisory Council. So I attend meetings all over California, and I could cite a number of examples that back up what Mr. King just said. There is no level of competition. In fact, we have representatives of some local governments and local cities and counties coming to our advisory council meetings asking the BLM to open up more recreation opportunities because that brings dollars to their town. There is no competition whatever that we find.

Thank you.

Ms. JOURDAIN. I would also like to add one thing. I think I certainly agree from the user side to both what Mr. King and Mr. Denner said, because the money collected from fee demo goes straight to the ground, whereas a dollar collected in Washington virtually disappears by the time it gets back to the region.

Mr. RADANOVICH. Got it. All right.

Again, panel, thank you so much for making the trip here to Washington to testify. I really do appreciate it. It is valuable information, and again, with that, this hearing is closed. Thank you very much.

[Whereupon, at 12:34 p.m., the Subcommittee was adjourned.]